
State of South Carolina
Department of Revenue
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SC INFORMATION LETTER #11-4

SUBJECT: Job Tax Credit - County Rankings for 2011
Fee in Lieu of Property Taxes – Reduced Investment Counties
Tax Moratorium – Qualifying Counties

DATE: February 22, 2011

REFERENCE: S. C. Code Ann. Section 12-6-3360 (Supp. 2009 and 2010)
S. C. Code Ann. Section 12-6-3367 (Supp. 2010)
S. C. Code Ann. Section 12-44-30 (Supp. 2010)
S. C. Code Ann. Section 4-12-30 (Supp. 2010)
S. C. Code Ann. Section 4-29-67 (Supp. 2010)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2000)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

INTRODUCTION

The job tax credit, the tax moratorium, and the reduction in the minimum required fee in lieu of property tax investment are dependent, in part, on per capita income and unemployment rate data received from the South Carolina Employment Security Commission and Budget and Control Board.

The purpose of this advisory opinion is to provide the county rankings for purposes of the job tax credit, counties qualifying for the tax moratorium, and counties qualifying for the reduced fee in lieu of property tax.

JOB TAX CREDIT – County Rankings

South Carolina's 46 counties are now ranked and designated annually for job tax credit purposes with equal weight given to unemployment rate and per capita income. Because of amendments in the job tax credit statute in 2010, it is necessary to have two rankings of South Carolina's counties for purposes of the job tax credit.

Ranking List #1 – New County Designation Names and Credit Amounts: For new, full time jobs created in tax years that begin in 2011, where the job tax credit was first earned on or after January 1, 2011, and increases in such jobs. As required by statute, the Department has ranked South Carolina’s counties as “Tier IV,” “Tier III,” “Tier II,” and “Tier I” for computation of the new job tax credit with equal weight given to unemployment rate and per capita income.

TIER IV	TIER III	TIER II	TIER I
Allendale	Abbeville	Anderson	Aiken
Bamberg	Cherokee	Calhoun	Beaufort
Barnwell	Chester	Edgefield	Berkeley
Chesterfield	Colleton	Georgetown	Charleston
Clarendon	Darlington	Horry	Dorchester
Dillon	Fairfield	Jasper	Florence
Lancaster	Greenwood	Newberry	Greenville
Lee	Hampton	Oconee	Kershaw
Marion	Laurens	Pickens	Lexington
Marlboro	Orangeburg	Spartanburg	Richland
McCormick	Sumter	York	Saluda
Williamsburg	Union		

Ranking List #2 – For Transition Purposes: For increases in new, full time jobs created in tax years that begin in 2011, where the job tax credit was first earned before January 1, 2011. As required by statute, the Department has ranked South Carolina’s counties as “distressed,” “least developed,” “under developed,” “moderately developed,” and “developed” for computation of the new job tax credit based on unemployment rate and per capita income and then adjusted in accordance with applicable special rules in South Carolina Code Sections 12-6-3360(B) and 12-6-3360(L), as they existed prior to the amendment of Code Section 12-6-3360 effective January 1, 2011.

DISTRESSED	LEAST DEVELOPED	UNDER DEVELOPED	MODERATELY DEVELOPED	DEVELOPED
Allendale	Abbeville	Calhoun	Anderson	Aiken
Bamberg	Cherokee	Chester	Beaufort	Berkeley
Barnwell	Fairfield	Colleton	Newberry	Charleston
Chesterfield	Greenwood	Darlington	Oconee	Dorchester
Clarendon	Hampton	Edgefield	Saluda	Florence
Dillon	Laurens	Georgetown	Spartanburg	Greenville
Lancaster	Orangeburg	Horry	York	Kershaw
Lee	Union	Jasper		Lexington
Marion		Pickens		Richland
Marlboro		Sumter		
McCormick				
Williamsburg				

TAX MORATORIUM – Qualifying Counties

South Carolina Code Section 12-6-3367, in part, grants a 10 year moratorium (15 years in certain cases) on corporate income taxes or insurance premium taxes for qualifying taxpayers in a county with an average annual unemployment rate of at least twice the State average during each of the last two completed calendar years, based on the most recent unemployment rates available, or in a county with one of the three lowest per capita incomes based on the average of the three most recent years of available average per capita income data. The moratorium begins the first full taxable year after the taxpayer qualifies in a county designated as a moratorium county.

For 2011, the following counties have been designated moratorium counties under South Carolina Code Section 12-6-3367.

Allendale
Barnwell
Marlboro

FEE IN LIEU OF PROPERTY TAXES - Reduced Investment Counties

The minimum required investment necessary to qualify for the fee in lieu of property taxes is \$2.5 million for the “Little Fee” and “Simplified Fee,” and \$45 million for the “Big Fee.” See South Carolina Code Sections 4-12-30(B)(3), 12-44-30(14), and 4-29-67, respectively. This investment amount, however, is reduced to \$1 million for a company investing in a county with an average annual unemployment rate of at least twice the State average during each of the last 24 months, based on data available on November 1.

For 2011, no county qualifies for the \$1 million minimum investment under the “Little Fee,” “Simplified Fee,” and “Big Fee.”