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SC INFORMATION LETTER #92-14

TO: Vickie Jinnette Ringer  
Public Information Director

FROM: Sally Major, Tax Analyst  
Tax Policy and Appeals Department

DATE: May 12, 1992

SUBJECT: Corporate Headquarters Credit  
(Income Tax)

REFERENCE: S.C. Code Ann. Section 12-7-1245 (As amended March 1992)

AUTHORITY: S.C. Code Section 12-4-320 (1991 Supp.)  
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

Act #285 of 1992

Effective for taxable years beginning after 1991, Code Section 12-7-1245 is amended to provide for a number of changes in the corporate headquarters credit including the following:

1. The law provides that 75 full-time jobs must be created in order to obtain the headquarters credit. Prior to the amendment, 40 of these jobs had to be headquarters staff employees as defined by statute and the remaining jobs had to be related to the headquarters. The law was amended to provide that the jobs in excess of the required 40 headquarters staff employees can be headquarters personnel or research and development personnel.

2. The credit cannot be claimed for costs incurred more than three taxable years after the taxable year in which the first property for which the credit is claimed is placed in service.
3. All staffing requirements under the statute must be met by the end of the second taxable year following the taxable year in which the credit is claimed.
4. The basis of the property for South Carolina income tax purposes must be reduced by the amount of the credit claimed.
5. The definition of a number of terms have been added to the section.