

SC INFORMATION LETTER #96-23

**SUBJECT:** County Rankings for Purposes of the Displaced Worker Credit and the Economic Impact Zone Investment Tax Credit and Individual Income Tax Deduction

**DATE:** November 19, 1996

**REFERENCE:** S.C. Code Ann. Section 12-6-3450, As Amended by Act No. 462  
S.C. Code Ann. Section 12-14-30, et. seq., As Amended by Act No. 231 and Act No. 462

**AUTHORITY:** S.C. Code Ann. Section 12-4-320 (Supp. 1995)  
S.C. Revenue Procedure #94-1

**SCOPE:** An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

Information Letters issued to disseminate general information have no precedential value and do not represent the official position of the Department. Information Letters designated as administrative pronouncements represent the official advisory opinion of the Department.

## **DISPLACED WORKER CREDIT**

Section 10 of the Rural Development Act of 1996 amended the provisions of Code Section 12-6-3450 that provides a credit for hiring persons who were employed in an economic impact region and whose job was terminated as a result of the closing or realignment of an applicable federal military installation or applicable federal facility.

The definition of "economic impact region" has been expanded and now means a county or municipality, any portion of which is located within 25 miles of the boundaries of an applicable federal military installation (the Myrtle Beach Air Force Base and the Charleston Naval Base) or applicable federal facility (the Savannah River Site), and any area not otherwise included as part of the economic impact region if the Department of Commerce determines the area to be adversely impacted by the closing or realignment of an applicable federal military installation or applicable federal facility.

For tax years beginning after 1995, the following counties are Economic Impact Region counties:

Aiken	Florence
Allendale	Georgetown
Bamberg	Hampton
Barnwell	Horry
Berkeley	Lexington
Charleston	Marion
Colleton	Orangeburg
Dorchester	Williamsburg
Edgefield	

See SC Information Letter #96-18 for a discussion of the amendments made to the displaced worker credit, Code Section 12-6-3450, in House Bill 4706, Section 10, (Act No. 462).

## **ECONOMIC IMPACT ZONE INVESTMENT TAX CREDIT and INDIVIDUAL INCOME TAX DEDUCTION**

The Economic Impact Zone Community Development Act of 1995, contained in Chapter 14 of Title 12, provided for the establishment of economic impact zones on or in the vicinity of closed or realigned military installations in which various tax incentives may apply to individuals and businesses located in the economic impact zone in order to economically revitalize the area.

The Economic Development Industrial Cluster Act of 1996 and the South Carolina Rural Development Act of 1996 expanded the definition of an “economic impact zone” and the term now means a county or municipality, any portion of which is located within 50 miles of the boundaries of an applicable federal military installation or an applicable federal facility, and any area not otherwise included as part of the economic impact zone if the State Budget and Control Board determines the area to be adversely impacted by the closing, realignment, or downsizing of an applicable federal military installation or an applicable federal facility.

Effective April 4, 1995<sup>1</sup>, the following counties are Economic Impact Zone counties:

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<sup>1</sup>In addition, for the period from April 4, 1995 (the effective date of Section 10 of the Economic Development Industrial Cluster Act of 1996) to July 2, 1996 (the effective date of Section 19 of the Rural Development Act of 1996) the term “applicable federal facility” included a manufacturing facility that has closed or experienced permanent layoffs and notified the Employment Security Commission under the federal Worker Adjustment and Retraining Notification (WARN) Act of 1988. The number of jobs lost must equal twenty-five percent or more of the total workforce in the census tract in which the facility is located at the time the layoff occurred. The job lost must have occurred no more than five years before April 4, 1995, except in any census tract where a catastrophic loss of one thousand or more jobs from a single employer has occurred since 1980 and fewer than half the jobs have been replaced.

Aiken	Georgetown
Allendale	Greenwood
Bamberg	Hampton
Barnwell	Horry
Beaufort	Jasper
Berkeley	Lexington
Calhoun	Marion
Charleston	McCormick
Clarendon	Newberry
Colleton	Orangeburg
Dillon	Richland
Dorchester	Saluda
Edgefield	Williamsburg
Florence	

See SC Information Letter #96-18 for a discussion of the amendments made to economic impact zones, Code Section 12-14-30, in House Bill 4706, Section 19, (Act No. 462), and House Bill 4397, Section 10, (Act No. 231.) Also, see SC Information Letter #95-16 for a summary of the Economic Impact Zone Community Development Act of 1995 in House Bill 3534.

## **ADDITIONAL INFORMATION - JOB TAX CREDIT COUNTY RANKINGS**

See SC Information Letter #96-20 for the 1996 rankings of counties for purposes of the job tax credit based on the Rural Development Act of 1996. Also, see SC Information Letter #96-12 for the 1996 rankings of counties using the former three county designations of “less developed,” “moderately developed,” and “developed” based on the law prior to the Rural Development Act of 1996.

For questions concerning the county rankings discussed above, please contact Meredith Cleland in the Department’s Administrative Division at 803-737-4402.