

SC INFORMATION LETTER #99-1

SUBJECT: ADMINISTRATIVE PRONOUNCEMENT
Per Capita Income Figures for State and Counties

DATE: Applies to all periods open under the statute.

SUPERSEDES: All previous documents and any oral directives in conflict herewith.

REFERENCE: S. C. Code Ann. Section 12-6-3360(M)(13), as amended by Act. No. 432, 1998 Legislative Session
S. C. Code Ann. Section 12-6-3410(D)(2) (Supp. 1997)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. 1997)
SC Revenue Procedure #97-8

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 are official advisory opinions of the Department.

Taxpayers that operate “qualified service related facilities” are eligible for the South Carolina job tax credit contained in Code Section 12-6-3360 if they create a certain number of jobs. In most cases, those jobs must pay a certain percentage above the per capita income for the county in which the jobs will be located in order for the taxpayer’s facility to qualify as a qualified service related facility.

The South Carolina headquarters credit contained in Code Section 12-6-3410 provides a credit equal to 20% of the personal property costs incurred in constructing a headquarters if a corporation meets certain investment and job requirements as well as certain per capita income requirements with respect to employees employed at the headquarters and throughout the State. This document provides taxpayers with the per capita income figures for the State and for each county within the State in order that a taxpayer may determine if it has met the requirements of either Code Section 12-6-3360(M)(13) or 12-6-3410(D)(2).

The South Carolina Job Tax Credit

The South Carolina job tax credit, Code Section 12-6-3360(M)(13), as amended by Act No. 432, 1998 Legislative Session, reads in relevant part:

“Qualified Service Related Facility” means:

...(b) a business, other than a business engaged in legal, accounting, investment services or retail sales, which has a net increase of at least:

- (i) two hundred and fifty jobs at a single location;
- (ii) one hundred twenty-five jobs at a single location and the jobs have an average cash compensation level of more than one and one-half times the per capita income in the county where the jobs are located at the time the jobs are filled;
- (iii) seventy-five jobs at a single location and the jobs have an average cash compensation level of more than twice the per capita income in the county where the jobs are located at the time the jobs are filled;
or
- (iv) thirty jobs at a single location and the jobs have an average cash compensation level of more than two and one-half times the per capita income in the county where the jobs are located at the time the jobs are filled.

The per capita income for each county is determined by using the most recent data available from the Board of Economic Advisors. Determination of the required number of jobs is in accordance with the monthly average described in subsection (F).

A taxpayer should use the most recent per capita income information available as of the last day in which the required number of jobs have been filled. For example, if the taxpayer is qualifying as a “qualified service related facility” and plans to pay its employees one and a half times the per capita income of the county where the facility is located, the taxpayer should use the per capita income information available as of the date that the 125th person (based on the monthly average) is hired to determine if the employees have been paid an average cash compensation level of one and one-half times the per capita income of the county. The taxpayer must retain the required number of jobs with the appropriate average cash compensation for the entire taxable year, and for each taxable year for which the credit is claimed.

The Board of Economic Advisors usually receives the information concerning county per capita income once a year, usually in May. Accordingly, the following are the per capita income amounts for each of the counties in this State as of December 1, 1998 that should be used for determining whether a taxpayer has met the per capita income requirements contained in Code Section 12-6-3360(M)(13):

County	Per Capita Income
Abbeville	\$16,039
Aiken	\$20,252
Allendale	\$13,269
Anderson	\$19,390
Bamberg	\$14,675
Barnwell	\$17,695
Beaufort	\$24,891
Berkeley	\$14,453
Calhoun	\$16,753
Charleston	\$22,812
Cherokee	\$16,508
Chester	\$15,640
Chesterfield	\$16,785
Clarendon	\$13,804
Colleton	\$15,296
Darlington	\$18,251
Dillon	\$15,308
Dorchester	\$17,478
Edgefield	\$15,344
Fairfield	\$16,725
Florence	\$19,808

Georgetown	\$19,496
Greenville	\$24,058
Greenwood	\$19,727
Hampton	\$16,214
Horry	\$20,271
Jasper	\$15,506
Kershaw	\$19,231
Lancaster	\$18,108
Laurens	\$19,480
Lee	\$12,331
Lexington	\$21,970
McCormick	\$13,870
Marion	\$15,134
Marlboro	\$13,891
Newberry	\$17,402
Oconee	\$21,186
Orangeburg	\$16,669
Pickens	\$18,797
Richland	\$22,891
Saluda	\$16,696
Spartanburg	\$20,506
Sumter	\$16,298
Union	\$16,017
Williamsburg	\$13,428
York	\$21,966

The South Carolina Headquarters Credit

The personal property credit which is a component of the headquarters credit contained in Code Section 12-6-3410, provides in relevant part:

...(D) A headquarters establishment, expansion, or addition which meets the criteria of subsection (B) of this section is entitled to an additional credit equal to twenty percent of cost for tangible personal property if the following conditions are met:

...(2) The establishment, expansion, or addition of a corporate headquarters or research and development facility must result in:

(a) the creation of at least seventy-five new full-time jobs performing headquarters related functions and services or research and development related functions and services which have an average cash compensation level of more than one and one-half times the per capita income of this State at the times the jobs are filled; and

(b) an average South Carolina employee cash compensation level for all employees in this State of more than twice the per capita income in the State at the time the newly created jobs are filled.

A taxpayer should use the most recent per capita income information available as of the last day in which the required number of jobs have been filled. For example, for the personal property component of the headquarters credit, the taxpayer should use the State per capita income figure available as of the date the seventy-fifth employee is hired in determining if the employees have been paid an average cash compensation level of one and one-half or twice the State average.

Pursuant to Code Section 12-6-3410, no credit may be claimed for a taxable year during which the taxpayer fails to meet the qualifying employment requirements provided in section 12-6-3410. Further, the carry forward period continues to run for any year in which the credit may not be claimed for failure to meet the employment requirements and thus, there is no extension of the carryforward period. Therefore, for any year in which the taxpayer wishes to claim the credit (including the fifteen year carry forward period) the taxpayer must have maintained the required employment levels and have met the per capita income requirements contained in the statute.¹

¹Note, a taxpayer may claim the credit for a taxable year in the unextended carry forward period if the taxpayer re-qualifies for the credit by meeting the employment requirements during that taxable year.

The information on the State per capita income is generally made available twice a year, usually in May and October. The following is the State per capita income which should be used in determining if a taxpayer has met the requirements of Code Section 12-6-3410(D)(2) (This figure includes the October updated figure for the State per capita income).

State of South Carolina \$20,651

The Department of Revenue will publish information concerning the per capita income figures for counties and for the State after it becomes available from the Board of Economic Advisors. If you have questions about this information letter, you may call Jerilynn VanStory at (803)898-5151.