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State of South Carolina  
**Department of Revenue**  
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SC REVENUE RULING #07-1

- SUBJECT:** Job Tax Credit - County Rankings for 2006  
Fee in Lieu of Property Taxes – Reduced Investment Counties  
Tax Moratorium – Qualifying Counties
- DATE:** February 2, 2007
- MODIFIES:** SC Information Letter #06-1 and all previous documents and any oral directives in conflict herewith.
- REFERENCE:** S. C. Code Section 12-6-3360 (Supp. 2005)  
Act Nos. 297, 384, 386, 389, and 390 of 2006  
S. C. Code Section 4-12-30 (Supp. 2005)  
S. C. Code Section 12-44-30 (Supp. 2005)
- AUTHORITY:** S.C. Code Ann. Section 12-4-320 (2000)  
SC Revenue Procedure #05-2
- SCOPE:** The purpose of a Revenue Ruling is to provide guidance to the public and to Department personnel. It is an advisory opinion issued to apply principles of tax law to a set of facts or general category of taxpayers. It is the Department’s position until superseded or modified by a change in statute, regulation, court decision, or another Departmental advisory opinion.

**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 updated 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 investment as a result of recent legislative amendments.

## JOB TAX CREDIT – County Rankings

South Carolina’s 46 counties are ranked and designated annually for job tax credit purposes with equal weight given to unemployment rate and per capita income and then adjusted in accordance with special rules in South Carolina Code subsections 12-6-3360(B) and 12-6-3360(L), as applicable. Because of amendments in the job tax credit statute, it is necessary to have two rankings of South Carolina’s counties for purposes of the job tax credit.

### **Ranking List #1: For new, full time jobs created in tax years which begin in 2006, where the job tax credit was first earned after June 18, 2002, and increases in such jobs, except as otherwise indicated in the footnotes.**

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.

<b>Distressed</b>	<b>Least Developed</b>	<b>Under Developed</b>	<b>Moderately Developed</b>	<b>Developed</b>
Allendale	Abbeville	Calhoun	Anderson	Aiken <sup>1</sup>
Barnwell	Bamberg	Colleton	Beaufort	Berkeley
Chester	Cherokee	Edgefield	Charleston	Dorchester
Chesterfield	Fairfield	Georgetown	Darlington	Greenville
Clarendon	Greenwood	Pickens	Florence	Kershaw
Dillon	Jasper	Saluda	Horry	Lexington
Hampton	Lancaster	Sumter	Newberry	Richland
Lee	Laurens		Oconee <sup>2</sup>	York
Marion	Orangeburg		Spartanburg	
Marlboro	Union			
McCormick				
Williamsburg				

<sup>1</sup> Code Section 12-6-3360(B)(5)(h), added in 2006, allows Aiken County a three tier higher credit amount for taxable years beginning in 2007 and 2008. Accordingly, a taxpayer claiming the job tax credit for jobs created in Aiken County is allowed an increased job tax credit amount based upon the designation of “least developed” county for tax years beginning in 2007 and 2008 only. See Act No. 386, Section 53 of 2006.

<sup>2</sup> Effective for tax years beginning after December 31, 2004, Code Section 12-6-3360(B)(5)(f) allows Oconee County a one tier higher credit amount for a three year period beginning immediately following the year during which one employer lost 1,500 jobs in a calendar year (*i.e.*, 2005.) Accordingly, a taxpayer claiming the job tax credit for jobs created in Oconee County is allowed an increased job tax credit amount based upon the designation of “under developed” county for the tax year beginning in 2006 only. For tax years beginning in 2007 and 2008 the designation will be one tier higher than Oconee County would otherwise qualify. The increased credit amount will be published in the near future for the tax year beginning in 2007, and subsequently for the tax year beginning in 2008.

**Ranking List #2: For new, full time jobs created in tax years which begin in 2006, where the job tax credit was first earned after 1995 and before June 19, 2002, and increases in such jobs, except as otherwise indicated in the footnotes.**

The Department has ranked South Carolina’s counties as “least developed,” “under developed,” “moderately developed,” and “developed” for computation of the new job tax credit.

<b>Least Developed</b>	<b>Under Developed</b>	<b>Moderately Developed</b>	<b>Developed</b>
Abbeville	Colleton	Anderson	Aiken <sup>3</sup>
Allendale	Georgetown	Calhoun	Beaufort
Bamberg	Horry	Charleston	Berkeley
Barnwell	Orangeburg	Darlington	Dorchester
Cherokee	Pickens	Florence	Greenville
Chester	Sumter	Newberry	Kershaw
Chesterfield		Oconee <sup>4</sup>	Lexington
Clarendon		Spartanburg	Richland
Dillon			York
Edgefield			
Fairfield			
Greenwood			
Hampton			
Jasper			
Lancaster			
Laurens			
Lee			
Marion			
Marlboro			
McCormick			
Saluda			
Union			
Williamsburg			

<sup>3</sup> Code Section 12-6-3360(B)(5)(h), added in 2006, allows Aiken County a three tier higher credit amount for taxable years beginning in 2007 and 2008. Accordingly, a taxpayer claiming the job tax credit for jobs created in Aiken County is allowed an increased job tax credit amount based upon the designation of “least developed” county for tax years beginning in 2007 and 2008 only. See Act No. 386, Section 53 of 2006.

<sup>4</sup> Effective for tax years beginning after December 31, 2004, Code Section 12-6-3360(B)(5)(f) allows Oconee County a one tier higher credit amount for a three year period beginning immediately following the year during which one employer lost 1,500 jobs in a calendar year (*i.e.*, 2005.) Accordingly, a taxpayer claiming the job tax credit for jobs created in Oconee County is allowed an increased job tax credit amount based upon the designation of “under developed” county for the tax year beginning in 2006 only. For tax years beginning in 2007 the designation will be one tier higher than Oconee County would otherwise qualify.

## **TAX MORATORIUM – Qualifying Counties**

On May 31, 2006, South Carolina Code Section 12-6-3367 was enacted, in part, to grant a 10 year moratorium (15 years in certain cases) on corporate income taxes or insurance premium taxes for qualifying taxpayers in a county with 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 2006, the following counties have been designated moratorium counties under South Carolina Code Section 12-6-3367.

Allendale
Marion
McCormick
Williamsburg

## **FEE IN LIEU OF PROPERTY TAXES - Reduced Investment Counties**

The minimum required investment necessary to qualify for the fee in lieu of property tax under the “Little Fee,” provided in South Carolina Code Section 4-12-30(B)(3) is \$2.5 million, and the “Simplified Fee,” provided in South Carolina Code Section 12-44-30(14), is \$5 million. 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 2006, Marion County qualifies for the \$1 million minimum investment under the “Little Fee” and the “Simplified Fee.”

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Ray N. Stevens  
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Ray N. Stevens, Director

February 2 \_\_\_\_\_, 2007  
Columbia, South Carolina