



2025 Software Developer Test Cases

South Carolina Department of Revenue

#1 Test Case

Wayne and Rose are residents of SC and file a joint federal return. They filed an extension for their federal return. Wayne and Rose are currently living in Ontario, Canada. They are both over age 65. Wayne's date of birth is May 10, 1946, and Rose's date of birth is April 24, 1953. They have federal taxable income of \$810,000.

Both taxpayers are retired military. Wayne received \$95,000 of military retirement income. Wayne also received surviving spouse retirement income of \$25,000. His deceased wife's date of birth was June 5, 1947. Wayne receives a separate retirement income and treats it as a lump sum distribution on the federal return, resulting in the use of the SC4972 and tax reported on line 7 of \$550.

Rose received military retirement income of \$9,000 and other retirement income of \$18,000. She also received surviving spouse military retirement income of \$22,000 from her former husband whose date of birth was March 3, 1949.

Together Wayne and Rose had taxable social security of \$30,500.

Wayne receives interest income of \$2,200 from the state of MN that was not included in federal taxable income. He also receives interest of \$2,000 from US treasury bonds.

Wayne is a shareholder in an S Corporation. He was able to take a QBI deduction of \$58,000 on the federal return. On the South Carolina return, he has \$330,000 of active trade or business income, which results in active trade or business income tax of \$9,900.

Wayne and Rose made contributions to the SC College Investment Program of \$24,000. They also paid \$1,000 for an annual contract for identity theft protection.

During 2025 they are reporting tax on excess withdrawals from a Catastrophe Savings Account of \$75.

Wayne and Rose both have South Carolina earned income and qualify for the maximum two wage earner credit.

Wayne and Rose purchased solar panels qualifying for the credit on TC-38 for their home in South Carolina. The panels cost \$50,000.

Wayne had \$2,400 SC withholding from his 1099R. Rose had \$950 SC withholding from the 1099R she received as a surviving spouse.

The couple made estimated tax payments for 2025 of \$27,400. They also made a \$4,600 extension payment in April 2026.

Wayne and Rose want to contribute \$200 of their overpayment to the checkoff for the SC Veterans Trust Fund and \$75 to Endangered Wildlife Fund.

They wish to receive their refund by direct deposit.

#2 Test Case

Charles is a full-year resident of South Carolina for 2025 who files as HOH on his federal return. He has one dependent on his federal return. His dependent, a daughter Lizzie, was born March 31, 2024. Charles has federal taxable income of \$38,400

Charles is a full-time EMS and is eligible for a subsistence allowance for 150 days. He serves in the National Guard and can deduct his nontaxable pay of \$7,500. On his federal return he deducted \$250 of travel expenses related to his National Guard Service. Charles also serves as a HAZMAT member, and he has certification of his eligibility.

Charles was allowed an EITC on his federal return of \$190. He also had \$2,000 of expenses that qualified for the federal credit for child and dependent care.

He has SC withholding from a W2 of \$480.

Charles would like for his overpayment to be applied as follows: \$40 to Use Tax, \$125 to 2026 Estimated Tax, and remaining refund by paper check.

#3 Test Case

Star Gaze, LLC, an S Corporation, is filing a composite return on behalf of its nonresident shareholders. The composite return is filed using the FEIN of the entity. The composite return is reporting total South Carolina taxable income of \$85,680 and a composite tax liability of \$4,365. The S Corporation had tax withheld per 1099s of \$3,400 and NR sale of real estate withholding of \$5,400. The return is requesting the refund be issued by paper check.

#4 – Test Case

Grady a SC resident filing as married filing separately for federal purposes. He has federal taxable income of \$166,200.

Grady receives a K-1 from a family partnership that conducts all its business in South Carolina.

He claims two daughters, Grace and Emma as dependents on his federal return. Grace's date of birth is August 14, 2006, and Emma's date of birth is March 19, 2016.

Grady was a teacher for part of the year and had \$500 in Classroom Teacher Expenses that qualify for a South Carolina credit. Grady became totally and permanently disabled during the year and received disability retirement income of \$22,000.

Grady pays the tuition for Grace's college education and is eligible for a South Carolina tuition tax credit of \$1,500. Grady is also eligible for a \$2,000 Parental Refundable Credit on the I-361 for Emma's private school tuition.

Grady has a balance due on his return.

#5 – Test Case

Doris is a SC resident filing an amended return to claim the \$2,000 subtraction from federal taxable income for the adoption of a special needs child. Her adopted daughter, Marybeth, meets the requirements of being a special needs child and is claimed as a dependent on Doris' return. Marybeth's date of birth is July 2, 2010.

Doris' original return was filed using the qualifying surviving spouse filing status. Doris is over age 65 with her birthdate being May 17, 1959.

Doris timely filed her original return with a balance due of which she has paid \$280. Her original return reported a negative federal taxable income of (\$5,620).

She itemized her deductions on her federal return. Doris' Schedule A reported itemized deductions of:

- line 4 medical expenses \$1,800
- line 5a state and local income taxes \$2,600
- line 5b state and local real estate taxes \$5,200
- line 5c state and local personal property taxes \$880
- line 8 home mortgage interest \$5,400
- line 11 gifts by cash or check \$18,600

for total itemized deductions on line 17 of \$34,480.

Doris received a 1099G/INT from the SCDOR in the year 2025 reporting a state refund of \$360. This amount was in Doris' federal taxable income.

Doris receives retirement income of \$7,900

Doris has a rental home in IN with income of \$22,000 and a rental property in GA with a rental loss of \$168,000.

She sold stock that was held for ten years with a gain of \$4,300.

She is a partner in a SC partnership that operates as a milk dairy. She receives a K-1 reporting \$155,300 of income to her. She is eligible for the refundable Milk Credit of \$5,000 and the Anhydrous Ammonia Credit of \$150.

Doris is paying a \$60 penalty for underpayment of Estimated Tax.

The amended SC1040 has a balance due.

#6 – Test Case

Kenneth files his federal return as Single and claims the standard deduction. He is under age 65.

He is a nonresident of South Carolina who earns wages for services he performs in South Carolina.

The only income Kenneth receives is from a W-2 reporting SC wages of \$75,000. The W-2 reports \$3,050 of SC tax withheld.

Kenneth is requesting his refund by direct deposit.

