2026 Software Developer Test Cases

South Carolina Department of Revenue

#1 Test Case

Jack and Jan are residents of SC and file a joint federal return. They filed an extension for their federal return. Jack and Jan are currently living in Ontario, Canada. They are both over age 65. Jack's date of birth is May 26, 1956, and Jan's date of birth is April 4, 1957. They have federal adjusted gross income of $196,500.

Both taxpayers are retired military. Jack received $75,000 of military retirement income. Jack also received surviving spouse retirement income of $22,000. His deceased wife's date of birth was June15, 1953. Jack 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 8b of $475.

Jan received military retirement income of $9,000 and other retirement income of $20,000. She also received surviving spouse military retirement income of $26,000 from her former husband whose date of birth was May 23,1952.

Together Jack and Jan had taxable social security of $38,450.

Jack receives interest income of $2,600 from the state of MA that was not included in federal adjusted gross income. He also receives interest of $2,300 from US treasury bonds.

Jack is a shareholder in an S Corporation. He was able to take a QBI deduction of $56,000 on the federal return. On the South Carolina return, he has $290,000 of active trade or business income, which results in active trade or business income tax of $8,700.

Jack served as a clerk of elections and earned $1,000 which qualifies him for the poll worker deduction.

Jack and Jan made contributions to the SC College Investment Program of $20,000. They also paid $1,000 for an annual contract for identity theft protection.

During 2026 they are reporting tax on excess withdrawals from a Catastrophe Savings Account of $100.

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

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

Jack had $2,900 SC withholding from his 1099R. Jan had $1080. SC withholding from the 1099R she received as a surviving spouse.

The couple made estimated tax payments for 2026 of $32,000. They also made a $5,200 extension payment in April 2027.

Jack and Jan want to contribute $180 of their overpayment to the checkoff for the SC Veterans Trust Fund and $100 to Endangered Wildlife Fund.

They wish to receive their refund by direct deposit.

#2 Test Case

Ethan is a full-year resident of South Carolina for 2026 who files as HOH on his federal return. He has one dependent on his federal return. His dependent, daughter Jasmine, was born May 31, 2023. Ethan has federal adjusted gross income of $88.900.

Ethan is a full-time EMS and is eligible for a subsistence allowance for 130 days. He serves in the National Guard and can deduct his nontaxable pay of $7,500. On his federal return he deducted $300 of travel expenses related to his National Guard Service. Ethan also serves as a HAZMAT member, and he has certification of his eligibility.

Ethan was allowed an EITC on his federal return of $190. He also had $2,500 of expenses that qualified for the federal credit for child and dependent care.

He has SC withholding from a W2 of $1650.

Ethan would like for his overpayment to be applied as follows: $40 to Use Tax, $125 to 2026 Estimated Tax, and remaining refunded.

#3 Test Case

Rushing Waters 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 $66,500 and a composite tax liability of $3,980. The S Corporation had tax withheld per 1099s of $3,900 and NR sale of real estate withholding of $4,900. The return is requesting a refund.

#4 – Test Case

Brett a SC resident filing as married filing separately for federal purposes. He has federal adjusted gross income of $226,000.

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

He claims two daughters, Julia and Ellie as dependents on his federal return. Julia's date of birth is August 29, 2007, and Ellie's date of birth is March 9, 2017.

Brett was a teacher for part of the year and had $460 in Classroom Teacher Expenses that qualify for a South Carolina credit. Brett became totally and permanently disabled during the year and received disability retirement income of $28,000.

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

Brett is eligible for a credit for repayment of amounts included in income from earlier years (IRC 1341 – Claim of right) of $1000.

Brett has a balance due on his return.

#5 – Test Case

Jolean is a SC resident filing an amended return to claim the $2,000 SC deduction for the adoption of a special needs child. Her adopted daughter, Dolly, meets the requirements of being a special needs child and is claimed as a dependent on Jolean's return. Dolly's date of birth is June 12, 2011.

Jolean's original return was filed using the qualifying surviving spouse filing status. Jolean is over age 65 with her birth date being May 27, 1960.

Jolean served as a preceptor in 2025 and has a carryforward deduction of $2000.

Jolean timely filed her original return with a balance due of which she has paid $350. Her original return reported a negative federal adjusted gross income of ($23,500).

She reported her state and local income taxes as an itemized deduction on her federal return. Jolean received a 1099G/INT from the SCDOR in the year 2026 reporting a state refund of $360. This amount was in Jolean's federal adjusted gross income.

Jolean receives retirement income of $8,200.

Jolean has a rental home in OH with income of $34,000 and a rental property in VA with a rental loss of $275,000.

She sold stock that was held for fifteen years with a gain of $5,700.

She is a partner in a SC partnership that operates as a milk dairy. She receives a K-1 reporting $178,400 of income to her. She is eligible for the refundable Milk Credit of $5,000 and the Anhydrous Ammonia Credit of $150.

Jolean is paying a $100 penalty for underpayment of Estimated Tax.

The amended SC1040 has a balance due.

#6 – Test Case

Keith files his federal return as Single. 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 Keith receives is from a W-2 reporting SC wages of $80,000. The W-2 reports $3,900 of SC tax withheld.

Keith is requesting his refund by direct deposit.