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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
2025 TAX CREDITS

SC1040TC

(Rev. 3/21/25)

3913

Name

Social Security Number

Most tax credits are computed on separate tax credit schedules. **Attach tax credit schedules for all tax credits you claim, along with the SC1040TC Worksheet and the SC1040TC, to your Income Tax return. The SCDOR may disallow your tax credits if you do not attach the necessary schedules to your return.**

For line 6 through line 15, enter the credit description, the associated code, and the dollar amount of the credit claimed. You can find credit codes and descriptions, along with the required tax schedule for each credit, beginning on page 4.

Credit Description	Code	Amount
1. Total credit for taxes paid to another state (Attach SC1040TC worksheet for each state)	1. 100	\$.00
2. Solar Energy or Small Hydropower System or Geothermal Machinery and Equipment Credit	2. 038	\$.00
3. Excess Insurance Premium Credit	3. 044	\$.00
4. New Jobs Credit	4. 004	\$.00
5. Qualified Conservation Contribution Credit	5. 019	\$.00
6. _____	6. ▶	\$.00
7. _____	7. ▶	\$.00
8. _____	8. ▶	\$.00
9. _____	9. ▶	\$.00
10. _____	10. ▶	\$.00
11. _____	11. ▶	\$.00
12. _____	12. ▶	\$.00
13. _____	13. ▶	\$.00
14. _____	14. ▶	\$.00
15. _____	15. ▶	\$.00
16. Total nonrefundable tax credits (add line 1 through line 15)	16. ▶	\$.00
17. South Carolina Tax (from SC1040, line 10; SC1065, line 3, or SC1041, lines 8 and 9)	17.	\$.00
18. Enter the lesser of line 16 or line 17	18.	\$.00

For an individual, enter this amount on SC1040, line 13.
For a Fiduciary, enter this amount on SC1041, line 10.
For a Partnership, enter this amount on SC1065, line 4.

SC1040 Filers: Include this form and a complete copy of your federal return with your SC1040. If claiming credit for taxes paid to another state, also include a copy of each tax return filed with another state.

SC1041 or SC1065 Filers: Include this form with your SC1041 or SC1065.



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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**CREDIT FOR TAXES
PAID TO ANOTHER STATE**

SC1040TC

(Rev. 3/21/25)

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2025

WORKSHEET FOR TAXES PAID TO _____
(enter name of state)

This credit is available for South Carolina residents and part-year residents only. Complete a separate worksheet for each state. Use the SC1040TC instructions to complete this worksheet. **Include the SC1040TC and SC1040TC Worksheet with your SC1040.**

	Dollars	Cents
1. South Carolina gross income (enter amount from instructions for line 1, E)	1.	00
2. Portion of line 1 taxed by another state (see instructions)	2.	00
3. Percentage (divide line 2 by line 1) Round to two decimal places. Cannot be greater than 100%.....	3.	%
4. Amount of South Carolina tax from SC1040, line 10.....	4.	00
5. Tentative credit (multiply line 3 by line 4).....	5.	00
6. Net tax due the other state on income from line 2 See instructions. Do not use withholding from W-2	6.	00
7. Allowable credit (lesser of line 5 or line 6)..... Add the amounts from line 7 of each state worksheet, and enter the total on SC1040TC, line 1.	7.	00

WORKSHEET FOR TAXES PAID TO _____
(enter name of state)

This credit is available for South Carolina residents and part-year residents only. Complete a separate worksheet for each state. Use the SC1040TC instructions to complete this worksheet. **Include the SC1040TC and SC1040TC Worksheet with your SC1040.**

	Dollars	Cents
1. South Carolina gross income (enter amount from instructions for line 1, E).....	1.	00
2. Portion of line 1 taxed by another state (see instructions).....	2.	00
3. Percentage (divide line 2 by line 1) Round to two decimal places. Cannot be greater than 100%.....	3.	%
4. Amount of South Carolina tax from SC1040, line 10.....	4.	00
5. Tentative credit (multiply line 3 by line 4).....	5.	00
6. Net tax due the other state on the income from line 2 See instructions. Do not use withholding from W-2	6.	00
7. Allowable credit (lesser of line 5 or line 6)..... Add the amounts from line 7 of each state worksheet, and enter the total on SC1040TC, line 1.	7.	00

INSTRUCTIONS

The credit for taxes paid to another state is available for a South Carolina resident or part-year resident who paid Income Tax to both South Carolina and another state on the same income. To claim the credit, you must have filed a return with the other state and had a tax liability. Tax liability is the tax computed on the other state's return. It is not the tax withheld for the other state from your W-2 wages.

Complete a separate worksheet for each state. Include the SC1040TC and all worksheets with your SC1040, along with a copy of your federal return and the other states' returns.

Partnerships **cannot** claim the Credit for Taxes Paid to Another State.

If a Partnership or S Corporation paid tax on your behalf, see SC Revenue Ruling #22-5, available at dor.sc.gov/policy, for more information on how to compute the credit.

Line instructions

Line 1: Enter your federal gross income, adjusted by applicable South Carolina additions and subtractions.

SC1040 filers: Complete the following worksheet to calculate the amount to enter on line 1 as your South Carolina gross income.

- A. Total income from federal return **received while a resident of South Carolina** A. _____
- B. Enter amounts from SC1040, line b and line d* B. _____
- C. Add line A and line B C. _____
- D. Enter amounts from SC1040, line f through line j, line m through line q, line s and line t, and line w* D. **< >**
- E. Subtract line D from line C. Enter on line 1 of the credit worksheet E. _____

*Consider amounts entered on SC1040 line e (other additions) and line v (other subtractions) individually to determine if they affect line 1 of the credit worksheet. Adjustments that affect line 1 are those found in Article 9 and Article 17 of Title 12, Chapter 6 of the SC Code of Laws. Find more information on the SC Code of Laws, available at dor.sc.gov/policy.

Example: W's federal gross income is \$36,000. The South Carolina adjustments are:

- State refund (SC1040 line f): \$300
- Out-of-state loss on rental property (SC1040 line b): \$4,500
- Interest from US Bond (SC1040 line m): \$200

W will complete the worksheet above as follows:

- A. Total income from federal return **received while a resident of South Carolina** A. \$36,000
- B. Enter amounts from SC1040, line b and line d* B. \$4,500
- C. Add line A and line B C. \$40,500
- D. Enter amounts from SC1040, lines f through j, lines m through q, line s and t, and line w* D. **< \$500 >**
- E. Subtract line D from line C. Enter on line 1 of the credit worksheet E. \$40,000

W will enter \$40,000 on line 1 of the credit worksheet.

SC Schedule NR filers: Begin with line 16, Column B. Subtract the South Carolina adjustments from line 33 through line 37. Consider additions on line 32 and subtractions on line 41 individually to determine if they affect South Carolina gross income. Enter the total on line 1 of the credit worksheet.

Line 2: Enter the portion of the gross income included in line 1 that was taxed by the other state.

Example 1: X is a full-year resident of South Carolina who works in another state. Total income from the federal return is \$50,000, with no South Carolina adjustments. Wages in the other state are \$20,000. This is the only income shown on the other state's return.

X will enter \$50,000 on line 1 and \$20,000 on line 2.

Example 2: Y is a full-year resident of South Carolina who works in another state. Total income from the federal return is \$50,000. Wages in the other state are \$20,000, and there is \$10,000 of rental income from a property located in the other state. The \$10,000 of rental income is not taxed by South Carolina.

Y will enter \$40,000 (\$50,000 minus the \$10,000 adjustment for out-of-state income) on line 1 and \$20,000 on line 2.

Only enter gross income taxed by **both** South Carolina and another state.

Line 3: Divide line 2 by line 1. This is the percentage of income taxed by both South Carolina and the other state. Round to two decimal places, and do not enter an amount greater than 100%.

Line 4: Enter the amount of tax from line 10 of the SC1040.

Line 5: Multiply line 4 by line 3. This is your tentative credit.

Line 6: Enter the portion of the tax paid to the other state which is based on income taxed by both states. **Do not use withholding amounts shown on your W-2 forms.**

Complete the following worksheet to calculate the amount to enter on line 6:

A. Total income taxed by the other state.....	A. _____
B. Income taxed by both South Carolina and the other state.....	B. _____
C. Divide line B by line A.....	C. _____
D. Total tax liability from the other state..... Enter tax liability after tax credits. Do not enter the withholding shown on your W-2.	D. _____
E. Multiply line D by line C..... Enter on SC1040TC Worksheet line 6.	E. _____

Example: Z's other state's return shows \$5,000 in wages, \$7,000 in rental income from the other state, and \$8,000 from the sale of a house located in the other state (\$20,000 total income). The other state's total tax liability is \$546. Since only the \$5,000 in wages is subject to tax in both states, Z will complete the above worksheet as follows:

A. Total income taxed by the other state.....	A. <u>\$20,000</u>
B. Income taxed by both South Carolina and the other state.....	B. <u>\$5,000</u>
C. Divide line B by line A.....	C. <u>0.25</u>
D. Total tax liability from the other state.....	D. <u>\$546</u>
E. Multiply line D by line C.....	E. <u>\$137</u>

Z will enter \$137 on line 6.

Line 7: The credit is limited to the **lesser of** South Carolina tax or the other state's tax on the income being taxed by both states.

If you are calculating the credit for more than one state, complete a worksheet for each state. Total line 7 from all worksheets and enter the total credit on the SC1040TC, line 1.

If the other state later refunds or credits part of the tax which generated this credit, you must file an amended return and repay the SCDOR within 60 days of receiving the refund or notice of the credit from the other state.

Credit descriptions

CODE TITLE: Description. (Form)

100 CREDIT FOR TAXES PAID TO ANOTHER STATE: For resident and part-year resident taxpayers paying tax to South Carolina and another state on the same income. (SC1040 TC Worksheet)

038 SOLAR ENERGY OR SMALL HYDROPOWER SYSTEM OR GEOTHERMAL MACHINERY AND EQUIPMENT CREDIT: For taxpayers installing a solar energy system, small hydropower system, or geothermal machinery and equipment in a South Carolina facility. This credit is limited to the lesser of \$3,500 per facility or 50% of your tax liability. (TC-38)

044 EXCESS INSURANCE PREMIUM CREDIT: For individuals paying excess premiums for property and casualty insurance on their legal residence. (TC-44)

004 NEW JOBS CREDIT: For qualifying employers that create and maintain 10 or more full-time jobs. This credit is limited to 50% of your tax liability. (TC-4)

104 SMALL BUSINESS JOBS CREDIT: For qualifying small businesses that create and maintain two or more full-time jobs. This credit is limited to 50% of your tax liability. (TC-4SB)

204 ACCELERATED SMALL BUSINESS JOBS CREDIT: For qualifying small businesses that create two or more full-time jobs. This credit is limited to 50% of your tax liability. (TC-4SA)

019 QUALIFIED CONSERVATION CONTRIBUTION CREDIT: For taxpayers donating a qualifying gift of land for conservation or a qualified conservation contribution of a real property interest. (TC-19)

CODE TITLE: Description. (Form)

- 001 DRIP/TRICKLE IRRIGATION SYSTEMS CREDIT:** For taxpayers purchasing and installing conservation tillage equipment, drip/trickle irrigation system, or dual purpose combination truck and crane equipment. **(TC-1)**
- 002 CREDIT FOR STATE CONTRACTORS SUBCONTRACTING WITH SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS:** For taxpayers who have a contract with the State of South Carolina and subcontract with socially and economically disadvantaged small businesses. **(TC-2)**
- 003 WATER RESOURCES CREDIT:** For taxpayers investing in the construction of water storage and control structures for soil and water conservation, wildlife management, agriculture, and aquaculture purpose. **(TC-3)**
- 005 SCENIC RIVERS CREDIT:** For taxpayers donating certain lands adjacent to designated rivers or sections of a river. **(TC-5)**
- 008 HEADQUARTERS CREDIT:** For taxpayers establishing a headquarters facility in South Carolina or expanding or adding to an existing headquarters facility. **(TC-8)**
- 009 CHILD CARE PROGRAM CREDIT:** For employers that establish child care programs to benefit employees or donate to a non-profit corporation providing child care services to employees. **(TC-9)**
- 011 CAPITAL INVESTMENT CREDIT:** For taxpayers placing qualifying manufacturing and production equipment in service. **(TC-11)**
- 012 FAMILY INDEPENDENCE PAYMENTS CREDIT:** For employers hiring qualifying recipients of Family Independence Payments. **(TC-12)**
- 014 COMMUNITY DEVELOPMENT CREDIT:** This credit was repealed on June 30, 2023. For taxpayers investing amounts in qualifying community development corporations or financial institutions. **(TC-14)**
- 018 RESEARCH EXPENSES CREDIT:** For taxpayers claiming a federal research expenses credit. This credit is limited to 50% of your tax liability after other credits are applied. **(TC-18)**
- 020 BROWNFIELDS CLEANUP CREDIT:** For taxpayers participating in a voluntary cleanup activity by a nonresponsible party under the Brownfields Voluntary Cleanup Program **(TC-20)**
- 021 CERTIFIED HISTORIC STRUCTURE CREDIT:** For taxpayers making rehabilitation expenses that qualify for the federal credit. **(TC-21)**
- 022 CERTIFIED HISTORIC RESIDENTIAL STRUCTURE CREDIT:** For taxpayers completing qualifying residential rehabilitation projects. **(TC-22)**
- 023 TEXTILES REHABILITATION CREDIT:** For taxpayers rehabilitating an abandoned textile manufacturing facility. **(TC-23)**
- 024 COMMERCIALS CREDIT:** For production companies producing commercials in South Carolina. **(TC-24)**
- 025 MOTION PICTURES CREDIT:** For taxpayers investing in motion picture projects or motion picture production or post-production facilities in South Carolina. This credit, when combined with other credits, is limited to 50% of your tax liability. **(TC-25)**
- 026 VENTURE CAPITAL INVESTMENT CREDIT:** For taxpayers lending money to the SC Venture Capital Authority **(TC-26)**
- 027 HEALTH INSURANCE POOL CREDIT:** For individuals acquiring replacement health insurance coverage through the SC Health Insurance Pool. **(TC-27)**
- 028 SC QUALITY FORUM CREDIT:** For taxpayers participating in quality programs of the SC Quality Forum. **(TC-28)**
- 029 QUALIFIED RETIREMENT PLAN CONTRIBUTION CREDIT:** For individuals who paid taxes to another state on qualified retirement plan contributions not exempt from the other state's Income Tax. **(TC-29)**
- 030 PORT CARGO VOLUME OR PORT TRANSPORTATION CREDIT:** For taxpayers increasing usage by volume at state ports, or taxpayers awarded a port transportation credit for their transportation costs. **(TC-30)**
- 031 RETAIL FACILITIES REVITALIZATION CREDIT:** This credit has expired and is only available if Notice of Intent and building permits were issued before July 1, 2016. For taxpayers who improve, renovate, or redevelop an abandoned retail facility. **(TC-31)**
- 032 PREMARITAL PREPARATION COURSE CREDIT:** For individuals attending a qualifying marriage preparation course prior to obtaining a South Carolina marriage license. **(TC-32)**
- 035 ALTERNATIVE MOTOR VEHICLE CREDIT:** For taxpayers purchasing qualified vehicles under Internal Revenue Code 30B. **(TC-35)**
- 036 INDUSTRY PARTNERSHIP FUND CREDIT:** For taxpayers contributing to the SC Research Authority's Industry Partnership Fund. **(TC-36)**
- 040 ETHANOL OR BIODIESEL PRODUCTION CREDIT:** For producers of corn-based or non-corn-based ethanol or soy-based or non-soy-based biodiesel. **(TC-40)**
- 041 RENEWABLE FUEL FACILITY CREDIT:** This credit is only available for property placed in service before January 1, 2023. For taxpayers constructing a renewable fuel production or distribution facility in South Carolina. **(TC-41)**
- 043 RESIDENTIAL RETROFIT CREDIT:** For individuals retrofitting a residence to make it more resistant to loss due to hurricane, rising floodwater, or other catastrophic windstorm event. **(TC-43)**
- 045 APPRENTICESHIP CREDIT:** For taxpayers employing an apprentice. **(TC-45)**
- 046 CREDIT FOR SHAREHOLDER OF S CORPORATION BANKS:** For shareholders of S corporations operating as banks. **(TC-46)**
- 051 VENISON FOR CHARITY CREDIT:** For taxpayers processing deer meat for charity. **(TC-51)**
- 052 FIRE SPRINKLER SYSTEM CREDIT:** For taxpayers voluntarily installing a fire sprinkler system in a structure. **(TC-52)**

CODE TITLE: Description. (Form)

- 054 CLEAN ENERGY CREDIT:** This credit has expired and is only available for taxpayers who qualified before December 31, 2020. For companies investing in production of clean energy systems or components. **(TC-54) You must file the TC-54A and receive pre-approval prior to claiming this credit.**
- 055 ABANDONED BUILDINGS REVITALIZATION CREDIT:** For taxpayers rehabilitating an abandoned building. **(TC-55)**
- 056 ANGEL INVESTOR CREDIT:** For qualifying taxpayers investing in certain types of businesses. **(TC-56) You must submit the Application for Angel Investor Credit using MyDORWAY, our free online tax portal at MyDORWAY.dor.sc.gov and receive pre-approval prior to claiming this credit.**
- 057 EDUCATIONAL CREDIT FOR EXCEPTIONAL NEEDS CHILDREN'S FUND (NONREFUNDABLE):** For taxpayers contributing money to Exceptional SC to benefit exceptional needs children. Beginning with tax year 2021, the credit is limited to 75% of your tax liability. For tax years prior to 2021, the credit is limited to 60% of your tax liability. **(TC-57)**
- 058 SOLAR ENERGY PROPERTY CREDIT:** For taxpayers installing nonresidential solar energy property on certain qualified sites. **(TC-58) You must file the TC-58A and receive pre-approval prior to claiming this credit.**
- 059 ALTERNATIVE FUEL PROPERTY CREDIT:** For taxpayers who purchase or construct, install, and place in service in South Carolina eligible property used for distributing, dispersing, or storing alternative fuel at a new or existing fuel distribution or dispensing facility. **(TC-59)**
- 060 SC EARNED INCOME TAX CREDIT:** For full-year resident individuals who claimed the Earned Income Tax Credit on their federal return. **(TC-60)**
- 061 AGRIBUSINESS INCOME TAX CREDIT:** For an agribusiness operation or agricultural packaging operation that increases its purchases of certified South Carolina grown agricultural products by a minimum of 15% in a calendar year. **(TC-61)**
- 062 PRECEPTOR INCOME TAX CREDIT:** For eligible physicians, advanced practice registered nurses, or physician assistants who serve as a preceptor for at least two qualifying clinical rotations required by a medical school, physician assistant program, or advanced practice nursing program. This credit is limited to 50% of your tax liability after all other credits are applied. **(TC-62)**
- 063 SOUTH CAROLINA HOUSING TAX CREDIT:** For eligible owners of residential low-income rental buildings who are certified by the South Carolina Housing and Finance Authority. This credit is equal to the federal housing tax credit allowed for the project. **(TC-63)**
- 064 FORMERLY INCARCERATED APPRENTICESHIP CREDIT:** For taxpayers who hire a formerly incarcerated individual as a new employee in a registered apprenticeship program validated by the US Department of Labor. **(TC-64) You must apply for the Formerly Incarcerated Apprenticeship Credit by completing the application process using our free online tax portal at MyDORWAY.dor.sc.gov.**
- 065 VETERANS APPRENTICESHIP CREDIT:** For taxpayers who hire a veteran of the US Armed Forces as a new employee in a registered apprenticeship validated by the US Department of Labor. **(TC-65) You must apply for the Veterans Apprenticeship Credit by completing the application process using our free online tax portal at MyDORWAY.dor.sc.gov.**
- 066 RAILROAD EXPENDITURES CREDIT:** For an eligible taxpayer with qualified railroad reconstruction or replacement expenditures. The guidelines for the Railroad Expenditures Credit are administered by the SC Department of Commerce. **To claim the credit, you must attach a copy of the Tax Credit Certificate, issued by the SC Department of Commerce, to your tax return. (TC-66)**
- 067 RECREATIONAL TRAIL EASEMENT CREDIT:** For an eligible taxpayer who encumbers property with a perpetual recreational trail easement and right of way. **(TC-67)**
- 101 CARRYOVER OF UNUSED QUALIFIED CREDITS:** Use the applicable tax credit schedule to calculate and claim credits carried forward from prior years. Current versions of the tax credit schedules have a line to report unused credit carryforward amounts.
- 102 NURSING HOME CREDIT:** For individuals paying expenses for their own support or the support of another to an institution, in any state, providing nursing facility level of care or to a provider for in-home or community care. A physician must certify that nursing care is needed. No credit is allowed for expenses paid from public source funds (such as Medicaid or Veterans Administration). The credit is for 20% of the expenses paid, up to a maximum credit allowed of \$300. There is no carryover if the credit is more than the amount of tax due. **There is no separate form for this credit.**

Social Security Privacy Act Disclosure

It is mandatory that you provide your Social Security Number on this tax form if you are an individual taxpayer. 42 U.S.C. 405(c)(2)(C)(i) permits a state to use an individual's Social Security Number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SCDOR must provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.