



STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE CREDIT FOR STATE CONTRACTORS SUBCONTRACTING WITH SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS (Formerly the Minority Business Credit)

Table with columns: Name, SSN or FEIN, A. Subcontractor information, B. Payment date (MM-DD-YYYY), C. Amount paid on contract. Includes rows for Name of subcontractor, Street address, City, State, ZIP.

- 1. Total qualifying payments (add amounts in column C) \$
2. Multiply line 1 by 4% \$
3. Tax credit (enter the lesser of line 2 or \$50,000). Include on the appropriate tax schedule \$

INSTRUCTIONS

A taxpayer who has a contract with the state of South Carolina and subcontracts with a socially and economically disadvantaged small business may claim an Income Tax credit of 4% of the payments to that subcontractor for work related to the contract. The subcontractor must be certified as a socially and economically disadvantaged small business as defined in SC Code Section 11-35-5010 and associated regulations. Review the code section at dor.sc.gov/policy.

The credit used may not exceed \$50,000 in a single year. The credit may be claimed for 10 consecutive tax years beginning with the tax year in which the first payment is made to a qualifying subcontractor. After 10 consecutive taxable years, the taxpayer is no longer eligible for the credit.

A taxpayer claiming the credit must maintain evidence of work performed for the contract by the subcontractor.

If filing a paper return, attach to your Income Tax Return. If filing electronically, keep a copy with your tax records.

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.

The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the SCDOR is limited to the information necessary for the SCDOR to fulfill its statutory duties. In most instances, once this information is collected by the SCDOR, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.