

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**VENTURE CAPITAL
INVESTMENT CREDIT**

dor.sc.gov

Name

SSN or FEIN

- 1. Credit indicated on the SCVCA certificate. 1. \$ _____
- 2. Amount used to reduce your tax liability on your Income Tax return. 2. \$ _____
- 3. Amount transferred to another taxpayer this year 3. \$ _____
- 4. Subtract line 2 and line 3 from line 1. Unused credits can be carried forward indefinitely. 4. \$ _____

INSTRUCTIONS

A taxpayer who lends money to the South Carolina Venture Capital Authority (SCVCA) will receive a certificate for nonrefundable credits for the principal loan amount and required interest. The certificate will list the amount of the loan, the year, and the conditions for redeeming credits. The SCVCA and the state are both prohibited from modifying, terminating, or rescinding credits as indicated on the certificate.

Credits can be taken against Income Tax for individuals, corporations, banks, and building and loan associations. The credit can also be taken against Corporate License Fees, License Taxes on other businesses, Insurance Premium Tax, or any other tax provided in Title 38. If any of the taxes mentioned above are repealed, credits can be used against any other tax imposed by South Carolina. Credits can be carried forward indefinitely. Learn more about these taxes in the South Carolina Code of Laws at dor.sc.gov/policy.

Subject to verification by the SCVCA, any lender or transferee may transfer credits to any other person able to utilize the credits. Only the SCVCA can permit a transfer of assets, liabilities, or credits to any other designated investor group. Each designated investor group must provide an annual report to the SCVCA. This annual report must list any use, redemption, or transfer of credits.

An individual may claim the credits of a Partnership, LLC, S Corporation, Estate, or Trust electing to have the income taxed directly to the individual. The amount claimed by the individual will be based on the pro rata share of the individual's earnings from the Partnership, LLC, S Corporation, Estate, or Trust.

All designated investor groups combined are permitted to lend no more than \$50 million at one time. No more than \$20 million in tax credits can be issued in any year.

Certificates and credits do not qualify as securities under Title 35. Use of tax credits by an insurance company does not affect the application of retaliatory taxes or other fees pursuant to Chapter 7, Title 38 or any payments due under that chapter.

If you file by paper, attach to your Income Tax return. If you file 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.