State of South Carolina

Department of Revenue

301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214 Website Address: http://www.sctax.org

SC INFORMATION LETTER #03-30

SUBJECT: Job Tax Credit - County Rankings for 2004

Corporate Tax Moratorium – Qualifying Counties

Fee in Lieu of Property Taxes – Reduced Investment Counties

DATE: December 18, 2003

SUPERSEDES: All previous documents and any oral directives in conflict herewith.

REFERENCE: S. C. Code Section 12-6-3360 (As amended June 18, 2003)

S. C. Code Section 12-6-3365 (As amended June 18, 2003)
S. C. Code Section 4-12-30 (As amended June 18, 2003)
S. C. Code Section 12-44-30 (As amended June 18, 2003)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2000)

SC Revenue Procedure #03-1

SCOPE: An Information Letter is a written statement issued to the public by the

Department to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value, and is not binding on the public or the Department.

INTRODUCTION

The job tax credit, the corporate tax moratorium, and the reduction in the minimum required fee in lieu of property tax investment are dependent, in part, on per capita income and unemployment rate data received from the South Carolina Employment Security Commission and Budget and Control Board.

The purpose of this Information Letter is to provide county rankings for purposes of the job tax credit, counties qualifying for the corporate tax moratorium, and counties qualifying for the reduced fee in lieu of property tax investment.

JOB TAX CREDIT – County Rankings

South Carolina's 46 counties are ranked and designated annually for job tax credit purposes with equal weight given to unemployment rate and per capita income and then adjusted in accordance with special rules in South Carolina Code subsections 12-6-3360(B) and 12-6-3360(L), as applicable. Because of amendments in the job tax credit statute, it is necessary to have three rankings of South Carolina's counties for purposes of the job tax credit.

Ranking List #1: For new, full time jobs created in tax years which begin in 2004, where the job tax credit was first earned after June 18, 2002, and increases in such jobs.

The Department has ranked South Carolina's counties as "distressed," "least developed," "under developed," "moderately developed," and "developed" for computation of the new job tax credit. The credit amount that a business may receive for each new, full time job created is determined by the county where the business's facility is located. The basic amount of credit per year for each new, full time job created is \$8,000 in a distressed county, \$4,500 in a least developed county, \$3,500 in an under developed county, \$2,500 in a moderately developed county, and \$1,500 in a developed county.

Distressed	Least Developed	Under Developed	Moderately Developed	Developed
Chester	Abbeville	Calhoun	Beaufort	Aiken
Chesterfield	Allendale	Colleton	Berkeley	Anderson
Clarendon	Bamberg	Lancaster	Darlington	Charleston
Dillon	Barnwell	Pickens	Florence	Dorchester
Hampton	Cherokee	Sumter	Horry	Greenville
Lee	Edgefield		Kershaw	Lexington
Marion	Fairfield		Newberry	Richland
Marlboro	Georgetown		Oconee	York
McCormick	Greenwood		Spartanburg	
Orangeburg	Jasper			
Union	Laurens			
Williamsburg	Saluda			

Ranking List #2: For new, full time jobs created in tax years which begin in 2004, where the job tax credit was first earned after 1995 and before June 19, 2002, and increases in such jobs.

The Department has ranked South Carolina's counties as "least developed," "under developed," "moderately developed," and "developed" for computation of the new job tax credit. The credit amount that a business may receive for each new, full time job created is determined by the county where the business's facility is located. The basic amount of credit per year for each new, full time job created is \$4,500 in a least developed county, \$3,500 in an under developed county, \$2,500 in a moderately developed county, and \$1,500 in a developed county.

Least Developed	Under Developed	Moderately Developed	Developed
Abbeville	Calhoun	Beaufort	Aiken
Allendale	Colleton	Berkeley	Anderson
Bamberg	Lancaster	Darlington	Charleston
Barnwell	Pickens	Florence	Dorchester
Cherokee	Sumter	Horry	Greenville
Chester		Kershaw	Lexington
Chesterfield		Newberry	Richland
Clarendon		Oconee	York
Dillon		Spartanburg	
Edgefield			
Fairfield			
Georgetown			
Greenwood			
Hampton			
Jasper			
Laurens			
Lee			
Marion			
Marlboro			
McCormick			
Orangeburg			
Saluda			
Union			

Williamsburg

Ranking List #3: For new, full time jobs created in tax years which begin in 2004, where the job tax credit was first earned before 1996, and increases in such jobs.

The Department has ranked South Carolina's counties as "less developed," "moderately developed," and "developed" in accordance with Code Section 12-6-3360, prior to its amendment in 1996. The credit amount that a business may receive for each new, full time job created is determined by the county where the business's facility is located. The basic amount of credit for each new, full time job created is \$1,000 in a less developed county, \$600 in a moderately developed county, and \$300 in a developed county.

Less Developed	Moderately Developed	Developed
Abbeville	Allendale	Aiken
Cherokee	Bamberg	Anderson
Chester	Barnwell	Beaufort
Chesterfield	Berkeley	Calhoun
Clarendon	Colleton	Charleston
Dillon	Darlington	Dorchester
Fairfield	Edgefield	Florence
Hampton	Georgetown	Greenville
Laurens	Greenwood	Horry
Lee	Jasper	Lexington
Marion	Kershaw	Oconee
Marlboro	Lancaster	Pickens
McCormick	Newberry	Richland
Orangeburg	Saluda	Spartanburg
Union	Sumter	York
Williamsburg		

CORPORATE TAX MORATORIUM – Qualifying Counties

South Carolina Code Section 12-6-3365 grants a 10 year moratorium (15 years in certain cases) on corporate income taxes for qualifying taxpayers in a county with average unemployment of at least twice the State average during the last 24 months, based on unemployment rate data on November 1, or in a county with one of the three lowest per capita incomes based on the average of the three most recent completed calendar years of average per capita income data available on November 1.

For 2004, the following counties qualify for the corporate tax moratorium under South Carolina Code Section 12-6-3365. (Note: This section is repealed effective July 1, 2005, however, the repeal does not affect any moratorium in effect on that date.)

Chester	Marlboro
Edgefield	McCormick
Fairfield	Union
Lee	Williamsburg
Marion	

Note: A similar moratorium contained in South Carolina Code Section 12-10-35 was repealed effective tax years beginning after 2003. Its repeal does not affect any moratorium in effect on that date. The counties qualifying for this moratorium in prior years are published in advisory opinions on the Department's website.

FEE IN LIEU OF PROPERTY TAXES - Reduced Investment Counties

The minimum required investment necessary to qualify for the fee in lieu of property tax under the "Little Fee," provided in South Carolina Code Section 4-12-30(B)(3), and the "Simplified Fee," provided in South Carolina Code Section 12-44-30(14), is \$5 million. This investment amount, however, is reduced to \$1 million for a company investing in a county with an average annual unemployment rate of at least twice the State average during each of the last 24 months, based on data available on November 1.

For 2004, the following counties qualify for the \$1 million minimum investment under the "Little Fee" and the "Simplified Fee."

Chester	McCormick
Fairfield	Union
Marion	Williamsburg
Marlboro	