

SC INFORMATION LETTER #05-3

**SUBJECT:** Job Tax Credit - County Rankings for 2005  
Tax Moratorium – Qualifying Counties  
Fee in Lieu of Property Taxes – Reduced Investment Counties

**DATE:** January 18, 2005

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

**REFERENCE:** S. C. Code Section 12-6-3360 (Supp. 2003)  
S. C. Code Section 12-6-3365 (Supp. 2003)  
S. C. Code Section 4-12-30 (Supp. 2003)  
S. C. Code Section 12-44-30 (Supp. 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 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 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 2005, 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.

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

**Ranking List #2: For new, full time jobs created in tax years which begin in 2005, 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.

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

**Ranking List #3: For new, full time jobs created in tax years which begin in 2005, 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.

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

## 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 or insurance premium 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 2005, the following counties qualify for the 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.**

Allendale	Marlboro
Chester	McCormick
Fairfield	Union
Marion	Williamsburg

## 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 2005, 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	