
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 #08-1

SUBJECT: Job Tax Credit - County Rankings for 2008
Fee in Lieu of Property Taxes – Reduced Investment Counties
Tax Moratorium – Qualifying Counties

DATE: January 14, 2008

REFERENCE: S. C. Code Section 12-6-3360
S. C. Code Section 4-12-30
S. C. Code Section 12-44-30

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2000)
SC Revenue Procedure #05-2

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

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 advisory opinion is to provide the 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.

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. The final ranking of counties for new, full time jobs created in tax years which begin in 2008, and increases in such jobs, is listed below.

| DISTRESSED | LEAST DEVELOPED | UNDER DEVELOPED 1 | MODERATELY DEVELOPED | DEVELOPED |
|--|--|---|--|--|
| Allendale Bamberg Barnwell Chesterfield Clarendon Dillon Lee Marion Marlboro McCormick Union Williamsburg | Abbeville Aiken Cherokee Edgefield Fairfield Greenwood Hampton Lancaster Laurens Orangeburg | Calhoun Chester Colleton Georgetown Jasper Oconee Pickens Saluda Sumter | Anderson Beaufort Charleston Darlington Florence Horry Newberry Spartanburg | Berkeley Dorchester Greenville Kershaw Lexington Richland York |

TAX MORATORIUM – Qualifying Counties

South Carolina Code Section 12-6-3367, in part, 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 annual unemployment rate of at least twice the State average during each of the last two completed calendar years, based on the most recent unemployment rates available, or in a county with one of the three lowest per capita incomes based on the average of the three most recent years of available average per capita income data. The moratorium begins the first full taxable year after the taxpayer qualifies in a county designated as a moratorium county.

For 2008, the following counties have been designated moratorium counties under South Carolina Code Section 12-6-3367.

| |
|--------------|
| Allendale |
| McCormick |
| Williamsburg |

¹ For tax years beginning after 2007, a retail facility or service related industry located in a county that is under developed and not traversed by an interstate highway may qualify for the job tax credit. For 2008, Georgetown, Pickens, and Saluda counties meet this requirement. If the service related industry meets the requirements of a qualifying service related facility, it may qualify in any county. See Code Section 12-6-3360.

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 \$2.5 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 2008, no county qualifies for the \$1 million minimum investment under the “Little Fee” and the “Simplified Fee.”