



## BUSINESS INCENTIVES

A wide range of attractive incentives, together with competitive tax rates, provide an exceptional economic climate for business in South Carolina. **Please call for more information on the programs briefly outlined below, additional programs, and qualification criteria and approval processes which may apply.**

## CORPORATE INCOME TAX INCENTIVES

**JOB TAX CREDIT.** Available for companies creating jobs in SC, this is a true credit against corporate income taxes, which can eliminate up to 50% of a company's liability. (\$3500 per job for 5 yrs).

**CORPORATE HEADQUARTERS AND ENHANCED CORPORATE HEADQUARTERS TAX CREDITS.** For businesses locating their corporate headquarters in SC and meeting specified criteria, a generous 20% credit based on the cost of the portion of the facility dedicated to the headquarters operation or direct lease costs for the first five years of operation, plus a credit against 20% of the tangible personal property costs of establishing headquarters.

**ECONOMIC IMPACT ZONE INVESTMENT CREDIT.** A one-time credit against a company's corporate income tax of up to 5% of a company's investment in new production equipment. The credit value depends on the applicable recovery period for the property under the IRS Code.

**RESEARCH AND DEVELOPMENT TAX CREDIT.** A tax credit equal to 5% of the taxpayer's qualified R&D expenses in the State (as per Section 41 of IRS Code) made in a taxable year and not exceeding 50% of the company's remaining tax liability after all other credits have been applied.

### ALSO AVAILABLE:

**Child Care Program Tax Credit, SC Enterprise Program, Center for Accelerated Technology Training (CATT)**

## SOUTH CAROLINA DISCRETIONARY INCENTIVES

**JOB DEVELOPMENT CREDIT.** A discretionary, performance-based incentive that rebates a portion of new employees' withholding taxes that can be used to address the specific needs of individual companies, approved on a case-by-case basis.

**ECONOMIC DEVELOPMENT SET-ASIDE PROGRAM.** Assists companies in locating or expanding in SC through road, water/sewer infrastructure or site improvements, and other costs related to business location or expansion.

**ENTERPRISE ZONE RETRAINING CREDIT PROGRAM.** Allows existing industries to claim a Retraining Credit for existing production employees, up to 50% of approved training costs for eligible production workers (not to exceed \$500/person/year.)

**RURAL INFRASTRUCTURE FUND.** Assists qualified counties in the State's rural areas by providing financial assistance for infrastructure and other activities that enhance economic growth and development, including job creation and product development.

**PORT VOLUME INCREASE CREDIT.** An income tax credit to qualified entities that use state port facilities and increase base port cargo volume by 5% over base-year totals. (Base year qualifications: 75 net tons of non-containerized cargo or 10 loaded TEU's transported through an SC port).

**TOURISM INFRASTRUCTURE DEVELOPMENT GRANTS.** Supports new or expanding tourism or recreation facilities or designated development areas primarily through infrastructure projects.

*Note: These programs are administered by the SC Coordinating Council for Economic Development. (CCED).*

## SOUTH CAROLINA DIRECT FINANCIAL INCENTIVES

**DIRECT LOANS AND GUARANTEES.** Jobs Economic Development Authority (JEDA) is authorized to issue direct loans or provide direct loan guarantees when a unit of local government participates. The amount is limited to loans from 40-175% of project cost or the location can be provided up to \$500,000, whichever is less.

**CAPITAL INVESTMENT CORPORATION.** Provides financing for growth-oriented, established businesses through loan participations with other lenders needing to limit exposure. Loans are available for capital expenditures (the acquisition of land or buildings, construction or renovation of buildings, and equipment purchases), as well as for working capital and refinancing needs. The maximum loan amount is \$200,000, with at least one job created or retained for each \$25,000 loaned.

**JOB DEVELOPMENT LOANS.** Companies located in a SCANA or SCE&G service district can qualify for loans up to \$50,000 for working capital and/or fixed assets.

**PRE-EXPORT WORKING CAPITAL FINANCING.** SC businesses involved in international trade can obtain pre-export working capital financing through the Export Working Capital Guarantee Program (EWCG) of CCIC, which provides guarantees to commercial banks funding export transactions.

**PRIVATELY SPONSORED DEVELOPMENT CREDIT CORPORATION.** Business Development Corporation of South Carolina (BDCSC) is a private corporation providing financing to businesses unable to secure loans from conventional lending sources. The corporation's members are banks and other financial institutions that purchase stock and provide additional funds to the corporation for lending as needed. BDCSC makes direct loans for terms up to 25 years to new and expanding operations. Loan proceeds can be used for most business purposes, as long as the expenditure is related to creating or maintaining jobs.

**TAX-INCREMENT FINANCING.** Firms can benefit by using the financing authorized for municipalities to improve areas within their boundaries. Incorporated municipalities are authorized to issue obligations for redevelopment of their blighted areas or threatened blighted areas. Obligations must mature within 30 years, and interest rates are determined by the governing body of the municipality. Eligible projects are

buildings; improvements to streets, water, or sewer; parking facilities; or recreational facilities owned by the municipality.

**TAX-EXEMPT IDBS.** Tax-exempt IDBs may be issued by SC cities, counties, and JEDA (Jobs Economic Development Authority). Typically issued to exempt facilities for terms of 10 to 20 years, they have fixed or variable interest rates with no maximum or minimum limit, and are secured by the revenue stream, general credit, and assets of the principal user of the assets financed. Manufacturing concerns and certified 501(c)(3) nonprofit organizations are eligible, as long as the assets financed are to be used in the manufacturing process or nonprofit operation.

**TAXABLE IDBS.** Taxable IDBs may be issued through commercial lenders or JEDA, with proceeds used for the acquisition, construction, or renovation of buildings and land; the purchase of new or used equipment in conjunction with the acquisition of land and building; working capital purposes, and the refinancing of existing asset-based debt. Eligible firms include but are not limited to manufacturing, warehouse and distribution, research and development and real estate development.

**SUPPLEMENTAL ECONOMIC DEVELOPMENT FUND.** Annually, \$18 million of SC's highway funds are set aside to be given to counties for the exclusive use of improving highways essential to economic development projects, including the construction of new or improved roads to benefit new or expanding businesses.

## BUSINESS TAX INFORMATION

**SC NOTABLES.** No Inventory Tax, Local Income Tax, State Property Tax, Unitary Tax on Worldwide Profits, Wholesale Tax, or Sales Tax on manufacturing machines, industrial power or materials for finished product.

**CORPORATE INCOME TAX - 5%  
SALES & USE TAX - 5%**

**ADDITIONAL INFORMATION AVAILABLE:** Local Property Tax, Assessments and Millage Rates, Out of State Sales, Use Tax Credit, Sales Tax Exemptions, Sales Tax Caps, Property Tax Exemptions, 5-Year Property Tax Abatement, 20-Year Fee-in-Lieu of Property Taxes, and 30-Year Super Fee-in-Lieu of Property Taxes.