

BASIC CORPORATE TAX WORKSHOP

A partnership of:

South Carolina Department of Revenue

South Carolina Business One Stop

South Carolina Secretary of State's Office



Introduction

The purpose of this handbook is to assist business owners, employees, accountants and others in gaining a better understanding of the corporate tax laws and the impact these taxes may have on your business. We know that understanding your obligations is the first step in complying with tax laws.

While we strive to present this manual correctly, it is possible some errors may be found. Furthermore, tax law changes rapidly. The manual is written in general terms for widest possible use. It is intended as a guide only, and the application of its contents to specific situations will depend on the particular circumstances involved. It may not be relied on as a substitute for obtaining professional advice and researching original sources of authority. Nothing in this manual supersedes, alters or otherwise changes provisions of the South Carolina Code, regulations or department rulings.

We would appreciate your suggestions regarding how we can make this workshop and manual more useful for you and your business. Please call Sara Unrue, Taxpayer Education Coordinator, at (803) 898-5593 or email your comments to TaxpayerEd@sctax.org.

South Carolina Department of Revenue
February 2011

This manual was produced with the assistance of many Department of Revenue, South Carolina Secretary of State's Office, and South Carolina Business One Stop employees.



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SOUTH CAROLINA SECRETARY OF STATE'S OFFICE

Selected Forms Filed in the Secretary of State's Office for

Corporate Business Filings

I. Corporations – Domestic (in state)

1. How do I reserve my name if I am not ready to file to create my corporation?

Application to Reserve Name (§33-4-102)

This form is used to reserve a name for a corporation prior to incorporation. The name may be reserved for a nonrenewable 120-day period. If you are ready to incorporate, you may file Articles of Incorporation without first filing an application to reserve a name.

The fee is \$10.00

2. What do I file if I am ready to create the corporation?

Articles of Incorporation (§33-2-102)

This form is used to incorporate your business corporation. A CL-1 Form must also be included with the Articles of Incorporation. You may submit a total payment of \$135 to the Secretary of State's Office.

The fee is \$110.00

CL-1 Form

The South Carolina Department of Revenue requires this form to be submitted with all Articles of Incorporation for a business corporation.

The fee is \$25.00.

As soon as the articles and CL-1 form are filed in the Secretary of State's Office, the corporation is created.

3. Does an attorney need to sign the articles of incorporation?

Yes. Articles of Incorporation must have an attorney's signature before filing at the Secretary of State's Office.

4. When will my filing become effective?

SECTION 33-1-230. Effective time and date of filing.

(a) Except as provided in subsection (b) of this section and Section 33-1-240(c), a document accepted for filing is effective:

- 1) at the time for filing on the date it is filed, as evidenced by the Secretary of State's date and time endorsement on the original document; or
- 2) at the time specified in the document as its effective time on the date it is filed.

(b) A document may specify a delayed effective time and date, and if it does so the document becomes effective at the time and date specified. If a delayed effective date but no time is specified, the document is effective at the close of business on that date. A delayed effective date for a document may not be later than the ninetieth day after the date it is filed.



5. What is the Secretary of State's role in the filing of my document?

SECTION 33-1-250. Filing duty of Secretary of State.

(a) If a document delivered to the office of the Secretary of State for filing satisfies the requirements of Section 33-1-200, the Secretary of State shall file it.

(b) The Secretary of State files a document by stamping or otherwise endorsing "Filed", together with his name and official title and the date and time of receipt, on both the original and document copy, together with a further endorsement that the document copy is a true copy of the original document. After filing a document, except as provided in Sections 33-5-103 and 33-15-200, the Secretary of State shall deliver the document copy to the domestic or foreign corporation or its representative and the document copy must be retained as a part of the permanent records of the corporation.

(c) If the Secretary of State refuses to file a document, he shall return it to the domestic or foreign corporation or its representative within five days after the document was delivered, together with a brief, written explanation of the reason for his refusal.

(d) The Secretary of State's duty to file documents under this section is ministerial. His filing or refusing to file a document does not:

- 1) affect the validity or invalidity of the document in whole or part;
- 2) relate to the correctness or incorrectness of information contained in the document;
- 3) create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

6. How long will my corporation last?

Most corporations have a perpetual duration but a corporation may elect a shorter duration.

7. What do I file to dissolve the corporation?

Articles of Dissolution (§33-14-103)

This form is used to dissolve the corporation.

The fee is \$10.00.

Articles of Revocation of Dissolution (§33-14-104)

This form is used to revoke Articles of Dissolution that were filed with the Secretary of State. The Articles of Revocation must be filed within 120 days of the date the Articles of Dissolution were filed.

The fee is \$10.00.

8. What if my corporation is administratively dissolved?

Application for Reinstatement of a Corporation Dissolved by an Administrative Action (§33-14-220)

This form is used to reinstate a corporation that has been dissolved pursuant to an administrative action by the Secretary of State (ex: corporation is in forfeiture for failure to submit a tax return or annual report to the South Carolina Department of Revenue).

The fee is \$25.00.

9. What do I do if the registered agent changes or the address changes for the registered office?

Notice of Change of Registered Office or Agent (§33-5-102)

This form should be used to change the address of the registered office or to change the registered agent of the corporation.

The fee is \$10.00.

Resignation of Registered Agent and Discontinuance of Registered Office (§33-15-109)

This form should be used by the registered agent when he or she will no longer serve as the registered agent and/or the address of the registered office will no longer be effective. If the agent is resigning, but the address will still be valid, the fee is \$3.00. If the agent is going to continue as the registered agent but he or she is only changing the address of the registered office, the fee is \$2.00. If the registered agent is resigning and the registered address will no longer be valid, the fee is \$5.00.

Information on Foreign (out of state) corporations that wish to conduct business in South Carolina

Application to Register a Name (§33-4-103)

This form is used by a foreign corporation to register a name for a one-year period. This form does not authorize the foreign corporation to transact business in the state of South Carolina.

The fee is \$10.00

Application to Reserve Name (§33-4-102)

This form is used to reserve a name for a corporation prior to applying for a Certificate of Authority. The name may be reserved for a nonrenewable 120-day period. If you are ready to apply for a Certificate of Authority, you may file the application without first filing an application to reserve a name.

The fee is \$10.00

Notice of Transfer of a Reserved Name (§33-4-102(b))

This form is used to transfer the right to use a reserved corporate name to another party.

The fee is \$10.00.

Fictitious Name Form (§33-15-106)

This form is used by a foreign corporation when their legal name is not available in South Carolina. This is not the registration of a DBA (doing business as) or trade name. This form should only be used by the foreign corporation when their legal name is not available for use in South Carolina.

The fee is \$10.00.

Application for a Certificate of Authority to Transact Business (§33-15-103)

This form is used by a foreign corporation to apply for a Certificate of Authority to transact business in the state of South Carolina.

The fee is \$110.00.

CL-1 Form

The South Carolina Department of Revenue requires this form to be submitted along with all articles of incorporation for a business corporation.

The fee is \$25.00.

Application for an Amended Certificate of Authority to Transact Business (§33-15-104)

This form is used to amend the Certificate of Authority (ex: change the name of the corporation).

The fee is \$110.00.

Application for Surrender of Authority to do Business (§33-15-200)

This form is used for the corporation to withdraw its Certificate of Authority when it no longer wishes to conduct business in the state of South Carolina.

The fee is \$10.00.

Application for Reinstatement of a Corp. When Cert. of Authority has been Revoked (§33-15-330) This form is used to reinstate a corporation when the Certificate of Authority has been revoked pursuant to an administrative action by the Secretary of State (ex: corporation is in forfeiture for failure to pay a tax return or submit an annual report to the South Carolina Department of Revenue).

The fee is \$25.00.

Notice of Change of Registered Office or Agent (§33-15-108)

This form should be used to change the address of the registered office or to change the registered agent of the corporation.

The fee is \$10.00.

Resignation of Registered Agent and Discontinuance of Registered Office (§33-15-109)

This form should be used by the registered agent when he or she will no longer serve as the registered agent and/or the address of the registered office will no longer be effective. If the agent is resigning, but the address will still be valid, the fee is \$3.00. If the agent is going to continue as the registered agent but he or she is only changing the address of the registered office, the fee is \$2.00. If the registered agent is resigning and the registered address will no longer be valid, the fee is \$5.00.

Nonprofit Corporations – Domestic (in state)

1. What do I file if I want to reserve my name?

Application to Reserve Name (§33-31-402)

This form is used to reserve a name for a corporation prior to incorporation. The name may be reserved for a nonrenewable 120-day period. If you are ready to incorporate, you may file Articles of Incorporation without first filing an application to reserve a name.

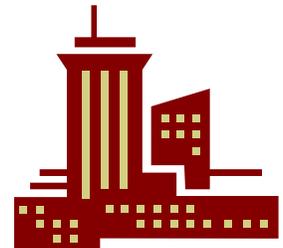
The fee is \$10.00.

2. What do I file if I want to create a nonprofit corporation?

Articles of Incorporation (§33-31-202)

This form is used to incorporate the nonprofit corporation.

The fee is \$25.00.



501(c)(3) Attachment

This form must be attached to the Articles of Incorporation if the nonprofit corporation is going to apply for 501(c) (3) tax-exempt status with the IRS.

There is no fee for this filing.

Restated Articles of Incorporation (§33-31-1006)

This form is used to consolidate articles of incorporation and all amendments that may have been made to the articles over the years into one document.

The fee is \$10.00.

3. When is my filing effective?

SECTION 33-31-123. Effective date of document.

(a) Except as provided in subsection (b), a document is effective:

- 1) at the time of filing on the date it is filed, as evidenced by the Secretary of State's endorsement on the original document; or
- 2) at the time specified in the document as its effective time on the date it is filed.

(b) A document may specify a delayed effective time and date and if it does so the document becomes effective at the time and date specified. If a delayed effective date but no time is specified, the document is effective at the close of business on that date. A delayed effective date for a document may not be later than the ninetieth day after the date filed.

4. What is the filing duty of the Secretary of State's Office?

SECTION 33-31-125. Filing duty of the Secretary of State.

- (a) If a document delivered to the office of the Secretary of State for filing satisfies the requirements of Section 33-31-120, the Secretary of State shall file it.
- (b) The Secretary of State files a document by stamping or otherwise endorsing "filed", together with his name and official title and date and time of receipt, on both the original and document copy, together with a further endorsement that the document is a true copy of the original document. After filing a document, except as provided in Sections 33-31-503 and 33-31-1510, the Secretary of State shall deliver the document copy to the domestic or foreign corporation or its representative and the document copy must be retained as part of the permanent records of the corporation.
- (c) Upon refusing to file a document, the Secretary of State shall return it to the domestic or foreign corporation or its representative within five days after the document was delivered, together with a brief, written explanation of the reason or reasons for the refusal.
- (d) The Secretary of State's duty to file documents under this section is ministerial. His filing or refusing to file a document does not:
 - 1) affect the validity or invalidity of the document in whole or in part;
 - 2) relate to the correctness or incorrectness of information contained in the document; or
 - 3) except as provided in Section 33-31-127, create a presumption that the document is valid or invalid or that information contained in the document is correct or incorrect.

5. How long will my nonprofit corporation last?

Most corporations are perpetual in duration, but a corporation may be limited in duration.

6. How do I dissolve my nonprofit corporation?

Articles of Dissolution (§33-31-1404)

This form is used to dissolve the corporation.

The fee is \$10:00.

Articles of Revocation of Dissolution (§33-31-1405)

This form is used to revoke a dissolution that was filed with the Secretary of State. The Articles of Revocation must be filed within 120 days of the date the dissolution was filed.

The fee is \$10.00.

Application for Reinstatement of a Corp. Dissolved by an Administrative Action (§33-31-1422)

This form is used to reinstate a corporation that has been dissolved pursuant to an administrative action by the Secretary of State (ex: corporation fails to maintain a registered agent or office). The Application for Reinstatement must be filed within two years of the date of the administrative dissolution.

The fee is \$25.00.

7. How do I change the registered agent? What if the address for the registered office changes?

Notice of Change of Registered Office or Agent (§33-31-502)

This form should be used to change the address of the registered office or to change the registered agent of the corporation.

The fee is \$10.00.

Resignation of Registered Agent/ Discontinuance of Registered Office (§33-31-1509)

This form should be used by the registered agent when he or she will no longer serve as the registered agent and/or the address of the registered office will no longer be effective. If the agent is resigning, but the address will still be valid, the fee is \$3.00. If the agent is going to continue as the registered agent but he or she is only changing the address of the registered office, the fee is \$2.00. If the registered agent is resigning and the registered address will no longer be valid, the fee is \$5.00.

Notice of Change of Principal Office (§33-31-505)

This form is used to change the address of the principal office of the nonprofit corporation.

The fee is \$10.00.

Information on Foreign (out of state) Nonprofit Corporations that wish to conduct business in this state

Application to Reserve a Name (§33-31-402)

This form is used to reserve a name for a corporation prior to applying for a certificate of authority. The name may be reserved for a nonrenewable 120-day period. If you are ready to apply for a Certificate of Authority, you may file the application without first filing an application to reserve a name.

The fee is \$10.00.

Notice of Change of Registered Office or Agent (§33-31-1508)

This form should be used to change the address of the registered office or to change the registered agent of the corporation.

The fee is \$10.00.

Resignation of Registered Agent/Discontinuance of Registered Office (§33-31-1509)

This form should be used by the registered agent when he or she will no longer serve as the registered agent and the address of the registered office will no longer be effective. If the agent is resigning, but the address will still be valid, the fee is \$3.00. If the agent is going to continue as the registered agent but he or she is only changing the address of the registered office, the fee is \$2.00. If the registered agent is resigning and the registered address will no longer be valid, the fee is \$5.00.

Notice of Change of Principal Office (§33-31-1515)

This form should be used to change the address of the principal office of the nonprofit.

The fee is \$10.00.



Limited Liability Companies – Domestic (in state)

1. What do I file if I want to create an LLC?

Application to Reserve Name (§33-44-106)

This form is used to reserve a name for an LLC prior to organization. The name may be reserved for a nonrenewable 120-day period. If you are ready to organize, you may file articles of organization without first filing an application to reserve a name.

The fee is \$25.00.

Articles of Organization (§33-44-203)

This form is used to organize the LLC under the laws of South Carolina.

The fee is \$110.00.

2. How do I dissolve my LLC?

Articles of Termination (§33-44-805)

This form should be used to terminate the legal existence of the LLC.

The fee is \$10.00.

3. What if my LLC is dissolved by the Secretary of State's Office?

Application for Reinstatement of an LLC Dissolved by Administrative Action (§33-44-811)

This form is used to reinstate an LLC that has been dissolved pursuant to an administrative action by the Secretary of State (ex: LLC is in forfeiture for failure to pay a fee, tax or penalty).

The fee is \$25.00.

4. What do I file if my agent changes or the address of the registered office changes?

Notice of Change of Designated Office, Agent or Address of Registered Agent (§33-44-109)

This form should be used to change the address of the designated office of the LLC, the registered office where the registered agent may be found or to change the registered agent of the LLC. The fee is \$10.00.

Information on Foreign Limited Liability Companies

Application to Register a Name (§33-44-1005)

This form is used by a foreign LLC to register a one-year period. This form does not authorize the foreign LLC to transact business in the state of South Carolina.

The fee is \$10.00.

Application to Reserve a Name (§33-44-106)

This form is used to reserve a name for a foreign LLC prior to applying for a Certificate of Authority. The name may be reserved for a nonrenewable 120-day period. If you are ready to apply for the Certificate of Authority, you may file articles of organization without first filing an application to reserve a name.

The fee is \$25.00.

Fictitious Name Form (§33-44-1005)

This form is used by a foreign LLC when their legal name is not available in South Carolina. This is not the registration of a DBA (doing business as) or trade name. This form should only be used by the foreign LLC when their legal name is not available for use in South Carolina.

The fee is \$2.00.

Application for a Certificate of Authority to Transact Business (§33-44-1002)

This form is used by a foreign LLC to apply for a Certificate of Authority to transact business in the state of South Carolina.

Application for an Amended Certificate of Authority to Transact Business (§33-44-1002) \$110.00

This form is used to make any amendments to the Certificate of Authority (ex: change the LLC's name).

The fee is \$110.00.

Certificate of Cancellation of Authority to Transact Business (§33-44-1002)

This form should be used to cancel the Certificate of Authority when the LLC no longer wishes to conduct business in the state of South Carolina.

The fee is \$10.00.

Resignation of Agent for Service of Process (§33-44-110)

This form should be used by the registered agent when he or she will no longer serve as the registered agent and/or the address of the registered office will no longer be effective.

The fee is \$10.00.

Notice of Change of Designated Office, Agent or Agent's Address (§33-44-109)

This form should be used to change the address of the designated office of the LLC, the registered office where the registered agent may be found or to change the registered agent of the LLC.

The fee is \$10.00.

What other forms are filed in the Secretary of State's Office that may affect my corporation?

Forms to make corrections or amendments to filings may also be submitted for filing.

Please visit the website located at www.scsos.com for a complete list of all forms filed in the Secretary of State's Office.

Forms on the Secretary of State's website:

- www.scsos.com
- Click on 'Forms & Fees' link on left side of page

South Carolina
Secretary of State
Mark Hammond

Home
From the Secretary's Desk
Business Filings
Public Charities
Notaries and Apostilles
Trademarks
Cable Franchise Authority
Boards and Commissions
Municipalities
Consumer Information
Forms and Fees

Welcome to the Secretary of State's Office

Thank you for visiting the new online office of the South Carolina Secretary of State. Our goal is to provide you with easy access to information from the convenience of your home or office.

Each division of the Secretary of State's Office provides diverse services and information to the citizens of South Carolina. This Website is designed to serve as your one-stop site for accessing general information as well as providing information specifically related to each division. I invite you to take advantage of this convenient resource.

Mark Hammond

News and Important Notices

[Secretary of State, Columbia Police Confiscate Approximately \\$300,000 in Counterfeit Clothing - 1/27/2011](#)
... a woman arrested and charged

[Three Arrested in Counterfeit Merchandise Sting at Metro Flea Market - 12/2/2010](#)
Two of the men arrested had been previously warned by law enforcement

Site Search SEARCH

Featured Links

Corporation Search

UCC Search

Charity Search

Notary Search

Charities! Professional Fundraisers!
File Online Here

**COUNTERFEIT GOODS
NOT A VICTIMLESS CRIME!**

SC.GOV

Contact & Feedback
Do you have feedback for us?

SOUTH CAROLINA BUSINESS ONE STOP (SCBOS)



SCBOS has four major offerings:

1. SCBOS is an informational website that connects businesses to multiple state government and private websites. SCBOS is a great resource for businesses to access information regarding tax, registration, and license requirements in addition to upcoming workshops, new legislation, and tutorials on how to use the site.
2. SCBOS uses a secure login system that allows businesses to communicate with multiple state agencies. SCBOS users may also use their login information when using the SC Department of Revenue's online filing system.
3. SCBOS utilizes an interactive, wizard-driven workflow method in which businesses may apply for licenses, permits, and registrations with various state agencies.
4. SCBOS utilizes a central payment engine to accept Visa, MasterCard, debit cards, and electronic funds withdrawals.

What can you do using SCBOS?

Secretary of State

Reserve/Register/Adopt Names

- Reserve Limited Liability Company Name
- Reserve Non-Profit Corporate Name
- Reserve Corporate Name
- Register Foreign Corporation Name
- Register Foreign Limited Liability Company Name
- Adopt Fictitious Name (for a foreign entity registering in SC and the entity name is being used by an in state entity)

Establish Business Entity

- Articles of Incorporation - Corporation
- Articles of Incorporation - Statutory Close Corporation
- Articles of Incorporation - Professional Corporation
- Articles of Incorporation - Non-Profit Corporation
- Articles of Organization Limited Liability Company
- Limited Liability Partnership Registration
- Certificate of Limited Partnership
- Certificate of Authority – Corporation
- Certificate of Authority - Non-Profit Corporation
- Certificate of Authority - Limited Liability Company
- Certificate of Authority - Limited Liability Partnership
- Foreign Limited Partnership Registration
- Unincorporated Association
- Charitable Organizations

Submit filings to inform Secretary of State about changes to your business

- Articles of Amendment – Domestic & Foreign Corporations
- Articles of Amendment – Domestic Non-Profit Corporations
- Amended Articles of Organization – Domestic LLC
- Articles of Dissolution – Domestic Corporations
- Renewal Application – Domestic LLP
- Resignation of Registered Agent and Discontinuance of Registered Office Domestic & Foreign Corporations
- Notice of Change of Registered Office or Registered Agent - Domestic & Foreign Corporations
- Notice of Change of Designated Office, Agent for Service of Process, or Address of Agent - Domestic & Foreign LLC's
- Notice of Change of Registered Office or Registered Agent or Both - Domestic & Foreign Non-Profit Corporations

Agent Information

- Register Agent Name
- Register Agent Address
- Change Registered Agent and Address

Department of Revenue

- Sales Tax registration (Retail License)
- Artists and Craftsman License (Retail License)
- Accommodations (Retail License)
- Aviation Fuel Tax
- Business Personal Property
- Corporate Tax Account
- Solid Waste Tax
- Use Tax
- Employee Withholding Tax registration
- Retail Alcoholic Beverage Licenses
- Renewals of Wholesale Alcoholic Beverage Licenses

Department of Employment and Workforce

- Unemployment Insurance Tax

Department of Health and Environmental Control

- Well Permits (Residential and irrigation)
- Demolition and Renovation associated with Asbestos
- Registration of Underground Storage Tanks
- Retail Food Establishment Applications

Department of Consumer Affairs

- Initial Maximum Rate Filing Schedule Consumer Loans
- Initial Maximum Rate Filing Schedule Consumer Credit Sales
- Consumer Credit Grantor Notification
- Credit Notification for Rent to own Businesses
- Motor Vehicle Closing Registration (Renewal Only)

Department of Plant Industry at Clemson University

- General Fertilizer permit
- Restricted Fertilizer permit
- Liming Materials permit

The following taxes can be filed and paid through SCBOS

Department of Revenue

- Sales Tax
 - o Sales tax return (ST-3 & ST-3EZ)
 - o Accommodations (ST-388)
 - o Schedule for Local Taxes (ST-389)
- Withholding Tax Payments
 - o Quarterly Reconciliation (WH-1605)
 - o Annual Reconciliation (WH-1606)
 - o Withholding Payment (WH-1601)
- Business Tax Payments
 - o Corporate tax payment (SC1120-V)
 - o Corporate Declaration
 - o Corporate Extension (SC1120D)
- Delinquent Tax Bill
 - o Approved Payment Plan (FS-100)
 - o Delinquent Tax Bill (ACL-17, C-133, C-293, FS-44)
- Change address/ Location of current registrations
- Penalty and Interest calculator
- You may also view payments previously made via DORePay

South Carolina Business One Stop or SCBOS is the official South Carolina business web portal. It enables anyone with an existing business or anyone starting a new business to file permits, licenses, registration, or pay taxes From the convenience of your computer at anytime, 24 hours a day – 7 days a week, you can take care of your important state filings, and pay for multiple filings and/or taxes with one credit, debit, or EFW payment.

Each section on SCBOS is designed to support all phases of business lifecycle from start-up through expansion. You will find FAQs, custom tutorials, checklists, and other information to help you. If you are ready to register your business, you can begin by creating a user account, or log-in. If you already have an account with SCBOS or the South Carolina Department of Revenue you can begin by logging into SCBOS.



SC ELECTRONIC FILING OPTIONS

Fed/State Corporate EFile

Taxpayers can file both federal and South Carolina returns or just the state return electronically utilizing tax preparation software available from software developers. South Carolina began offering Fed/State filing for Corporate (SC1120/1120S) in September, 2007. Corporate returns for a tax year prior to 2006 or amended returns will NOT be eligible for electronic filing via the Fed/State method. For calendar year 2010, the agency received **36,869** corporate returns via the FedState efile method.



Currently, there are three web based corporate payment applications. SC1120-CDP (Declaration of Corporate Estimated Tax Payments) and SC1120-T (Corporate Extensions) were the ground breakers and have been joined by the SC1120V (Corporate Payment Voucher for Electronic Filing). Taxpayers can submit both Corporate tax liability and license fees by SC1120V. Currently, taxpayers cannot “warehouse” corporate tax payments submitted using EPay.

The **SC1120-CDP** is required to be filed by the 15th day of the 3rd, 6th, 9th and 12th months following the beginning of the taxable year. The total of the estimated payments must equal 100% of the final tax liability, based on requirements for federal estimated income in IRC Section 6655. No estimated tax payment is required, if the estimated tax is less than \$100 annually.

The Corporate request for extension is made using form **SC1120-T** and must be filed on or before the original due date of the return. The full amount of the tax and license fee should be remitted with the **SC1120-T**.

EFT (Electronic Funds Transfer)

Two payment options exist within EFT (Electronic Funds Transfer). These options are offered through the Automated Clearing-House (ACH) system to electronically transfer tax payments. Qualifying taxpayers must select a payment method. This is done by completing the Registration Application for Electronic Funds Transfer (D-128). This form must be completed and submitted to the agency before tax payments can be made via EFT.

2D Barcode

While not electronic, filing your SC1120 or SC1120S or SC1120TC by utilizing a 2D Barcode producible software is the next best thing. The software product produces a hard, paper copy of the return with a business card sized 2D barcode on the actual return. That barcode has the entire return's data stored in it and can be scanned by equipment at the SCDOR in just seconds. A limited number of software companies produce a 2D Barcode product for South Carolina. To view the full list, please visit <http://www.sctax.org/Electronic+Services/Electronic+Services-Corporate.htm>.

CORPORATE TAX: THE BASICS

TYPES OF CORPORATIONS

QUALIFIED CORPORATIONS

A corporation is a business that is formed and authorized by law to act as a single person, although constituted by one or more persons and is legally endowed with rights and responsibilities. It is advisable to consult a lawyer when organizing a corporation to ensure full compliance with state and federal laws.



Qualified Domestic Corporation

A corporation chartered under the laws of South Carolina. It holds a South Carolina charter issued by the Secretary of State.

Forms to be completed with the Secretary of State:

- Articles of Incorporation (§33-2-102)
 - The fee is \$110.00
- A CL-1 Form
 - The fee is \$25

Qualified Foreign Corporation

Any corporation formed under the laws of a jurisdiction other than South Carolina: it holds a corporate charter issued in another state or country and has filed with the SC Secretary of State for Authority by a Foreign Corporation to do business in South Carolina.

Forms to be completed with the Secretary of State:

- Application for a Certificate of Authority to Transact Business (§33-15-103)
 - The fee is \$110.00
- A CL-1 Form
 - The fee is \$25

Qualified Limited Liability Company (LLC) Domestic or Foreign

An unincorporated business association that provides its owners (members) limited liability and flexible management and financial alternatives. A multiple member LLC has the option of filing as a partnership or a corporation. A single member LLC not taxed as a corporation is a disregarded entity for tax purposes.

Domestic LLCs are required to register with Secretary of State. The name of an LLC must contain the words “Limited Liability Company” or “LLC”.

Foreign LLCs may register and qualify to do business in SC according to procedures similar to those applicable to foreign qualified and non-qualified corporations

Forms to be completed with the Secretary of State:

- Articles of Organization
- **CL-1 Form** – is not required to be submitted to the Secretary of State. However, if the LLC is going to be taxed as a corporation, you have seventy-five days to file and pay with the SC Department of Revenue. (for more information, please see next page)

NON-QUALIFIED CORPORATIONS

Domestic Non-qualified Corporation – Same as a domestic corporation, except the corporation has not filed Articles of Incorporation with the SC Secretary of State.

Foreign Non-qualified Corporation – Same as a foreign corporation, except the corporation has not filed a Certificate of Authority with the SC Secretary of State.

Domestic or Foreign Non-qualified – Same as a domestic or foreign LLC, except the LLC has not filed Articles of Organization with the SC Secretary of State.

If a Non-qualified corporation is indicating a SC location, it must qualify with the office of the South Carolina Secretary of State before it can be issued a license; the Sales Tax application should be returned to the corporation with PC letter.

INITIAL ANNUAL REPORT (CL-1)

A CL-1, Initial Annual Report, is a Department of Revenue form that must be filed with the Articles of Incorporation for all business corporations and nonprofit corporations which are formed as political associations. The office will not accept these filings without the CL-1 form. A CL-1 is required to be filed by both Qualified and Non-Qualified Corporations.

Initial Annual Report Fee

The minimum license fee due with the Initial Annual Report is \$25.00. The Initial Annual Report and the minimum license fee must be filed with the Secretary of State with the Articles of Incorporation, filed by a domestic corporation or an Application for Certificate of Authority, filed by a foreign corporation. Once the corporation is registered with the Secretary of State, the Initial Annual Report is forwarded to the Department of Revenue for registration.

Assessment

The minimum license fee must be paid at the time the CL-1 is filed. Interest is due at the federal interest rate if not filed within sixty days of commencing business. Late filing of the CL-1 will incur a delinquent penalty of 5% per month not to exceed 25%. Late payment of the license fee will incur a penalty of 0.5% per month not to exceed 25%.

SETTING UP A CORPORATION WITH THE SC DEPARTMENT OF REVENUE

1. As soon as the articles and CL-1 form are filed in the Secretary of State's Office, the corporation is created.
2. CL-1 is forwarded to SCDOR License and Registration Division

Very Important Information to Complete

**AN INITIAL ANNUAL REPORT
(CL-1)**

1350	STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE INITIAL ANNUAL REPORT OF CORPORATIONS	CL-1 (Rev. 0/25/08) 3134
Office Use Only	File Number _____	ENDING PERIOD Month _____ Year _____ SID Number _____
	Date "Application for Charter" filed with Secretary of State _____ For Secretary of State Use Only	
	Date of "Request for authority to do business in this state" (Foreign Corp.) _____	
	FED EI Number _____	Business Code _____ (Office Use Only)
	NAME OF CORPORATION _____ Telephone # _____	
	Legal Name registered with SOS	
	PHYSICAL ADDRESS OF HEADQUARTERS (NUMBER AND STREET)	MAILING ADDRESS FOR TAX CORRESPONDENCE
	CITY AND STATE _____ ZIP _____ COUNTY _____	CITY AND STATE _____ ZIP _____
	1. State of incorporation: _____ 2. Indicate month corporation closes its books: _____	
	3. Nature of principal business in SC: _____	
	4. Location of registered office of the corporation in the state of SC is in the city of _____ Accounting period	
	Registered agent at such address is _____	
	5. Location of principal office in SC (street, city, zip and county): _____	
	6. Date business commenced in SC: _____ Effective Date of Incorporation: _____	
	7. If a professional corporation, are all shareholders, one-half of the directors (or individuals functioning as directors) and all officers (other than the secretary and treasurer) qualified to practice the professional services engaged in by the corporation? _____	
	8. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the corporation are:	
	SSN _____	Name/Title _____ Business Address and Office _____
ATTACH HERE	Names and business address of principal officers	

Stamped date from SOS



Effective Date

Note: This online database was last updated on 7/17/2009 6:03:01 PM. See our Disclaimer.

DOMESTIC / FOREIGN:	Domestic
STATUS:	RES
STATE OF INCORPORATION:	SOUTH CAROLINA
ORGANIZATION:	Non Profit

REGISTERED AGENT INFORMATION

REGISTERED AGENT NAME: RESERVED

- File date - filed with Secretary of State
- Effective - Date incorporated in South Carolina
- Dissolved - Dissolve charter or withdrew authorization

FILE DATE:	09/12/2008
EFFECTIVE DATE:	09/12/2008
DISSOLVED DATE:	//

S.C. FILE NUMBER is assigned when the account is setup

CORPORATION NOT SET UP PROPERLY

If an entity and corporation files corporate tax documents such as SC1120, SC 1120T, SC1120CDP, SC1120V and SC1120S, an account will be setup as a non-qualified account. This means the taxpayer did not go through the proper procedures with the state of South Carolina. If this is the case, the corporate ownership type would be non-qualified. You must go through the South Carolina Secretary of State to be qualified to do business in South Carolina.

A letter is generated requesting that the CL-1 be filed as shown below.

State of South Carolina
Department of Revenue
301 Gervais Street, P.O. Box 125, Columbia, South Carolina, 29214



SID Number:

Dear Taxpayer:

We have received an application/tax return filed by your firm; however, we require the following information in order to complete your file:

COMPLETED CL-1 FORM AND PAYMENT OF \$25.00

Please return this letter and the requested information to:
SC Department of Revenue
Registration/Database Maintenance Unit
Columbia, SC 29214-0140

Your prompt attention to this matter is greatly appreciated.

SC Department of Revenue
REGISTRATION AND DATABASE MAINTENANCE
(803) 896-1350
Fax - (803) 896-1843

Enclosure:

11381019 D-177 (Rev. 1/27/10)

Changes to Be Made

SC Department of Revenue

- Address
- Phone number
- Accounting period
- Federal ID (letter from IRS)
- List of the Officers



SC Secretary of State

- Name
- Incorporated date
- Registered agent
- Closing status

THREE WAYS TO CHANGE INFORMATION WITH SCDOR

1. Tax Return SC1120

- Address
- Accounting period
- Officers

1350		State of South Carolina 'C' CORPORATION INCOME TAX RETURN <small>Return is due on or before the 15th day of the 3rd month following the close of the taxable year.</small>	SC1120 <small>(Rev. 7/25/08)</small> 3091
Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100			
SC FILE # _____	Attach complete copy of Federal Return		
INCOME TAX PERIOD ENDING _____	County or Counties in SC Where Property is Located: _____		
LICENSE FEE PERIOD ENDING _____	City _____	Audit Location _____	State _____
FED EI # _____	Audit Contact _____		Telephone Number _____
NAME _____	Check if <input type="checkbox"/> Amended Return <input type="checkbox"/> Consolidated Return		
MAILING ADDRESS _____	Total Gross Receipts: _____ Total cost of depreciable personal property in SC: _____		
CITY _____ STATE _____ ZIP CODE _____	If Filing a Final Return, See Instructions for Further Information. <input type="checkbox"/> Merged <input type="checkbox"/> Reorganized <input type="checkbox"/> Dissolved <input type="checkbox"/> Withdrawn		
Change of <input type="checkbox"/> Address <input type="checkbox"/> Accounting Period			

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Page 3

<small>SC1120</small>	SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS	<small>Page 3</small>																		
1. Name _____ 2. Incorporated under the laws of the State of _____ 3. Location of the Registered Office of the Corporation in the State of South Carolina is _____ In the City of _____ Registered Agent at such address is _____ 4. Location of principal office (street address) _____ Nature of principal business in SC _____ 5. The total number of authorized shares of capital stock, itemized by class and series, if any, within each class is as follows: NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____ 6. The total number of issued and outstanding shares of capital stock itemized by class and series, if any, within each class is as follows: NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____ 7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are: (If additional space is necessary, attach separate schedule). <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%; text-align: left;">NAME</th> <th style="width: 30%; text-align: left;">TITLE</th> <th style="width: 40%; text-align: left;">BUSINESS ADDRESS</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>			NAME	TITLE	BUSINESS ADDRESS															
NAME	TITLE	BUSINESS ADDRESS																		

2. Form SC8822 (limits)

- This form only allows you to change:
 - Address
 - Phone number
 - Officers

To change the name of the corporation, you need to go through the South Carolina Secretary of State's Office.

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Part II - Business Change of Name / Address / Location SID # _____
Important - A change of ownership will require the business to register for new accounts. Account numbers must be listed before address changes can be made.

1. Address Change Applies To: Corporate Account # _____
 Sales* Account # _____
 Withholding Account # _____
 Other Account # _____

Effective Date: _____

*A change to Sales Tax may require the return of your retail license (See Instructions on Reverse).

2. FEIN (if required by Internal Revenue Service) _____

3. New Business Name _____

4. Prior Business Name _____

5. Owner/Partner/Corporate Name (if different from 4) _____

6. **New Business Address** Address _____
County _____
City, State, Zip _____

7. **Previous Business Address** Address _____
County _____
City, State, Zip _____

8. **New Mailing Address** Address _____
City, State, Zip _____

9. **Previous Mailing Address** Address _____
City, State, Zip _____

10. Telephone after Date of Change _____ Email _____

Telephone Number effective for all taxes? Yes No If not, provide other telephone numbers and specify applicable taxes. _____

(Continued on Back)

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11. Business within Municipal Limits: Yes No If Yes, which City? _____

12. Description of Business Activity: _____

13. Location of Records (after Date of Change) for:

Sales	Withholding	Corporate
_____	_____	_____
_____	_____	_____

14. Names of Business Owners/Partners/Officers - Social Security Number(s) Required for Owners/Partners:

Name	Social Security Number	Address	% Owned
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Signature of Owner/Partner/Officer: _____ Date: _____

3. Letter

- Address
- Accounting period
- Officers

Changes to be made must be on the corporation's letterhead and signed by an officer of the corporation.

ACCOUNTING PERIOD

Income Tax Period Ending— This period is based on the tax year ended or the month the corporation closes their books. If you are a 52-53 week federal filer, you must use a 52 week period for SC purposes.

For example, if the Federal 52/53 week ends on January 3, enter December 31.

License Fee Period Ending— This period is one year ahead of the income tax period.

For instance, if the income tax period ends December 31 of the current year, the license fee period ends December 31 of the following year.

Short Period

- **New corporation filing:** Corporation incorporated in the middle of their accounting period.

Example - Incorporated 11/01/09 and accounting period end of December – A short period for 11/01/09 through 12/31/09 would be filed.

- **Final Return:** Corporation has been dissolved – If you dissolved or withdrew your charter with the Secretary of State after your accounting period has ended, you must file a final return.

Example - Close business 03/15/09 per SOS and your accounting period is December, must file short period from 01/01/09 through 03/15/09

- **Change accounting periods:** In order to change your accounting period you may be required to submit a short period tax return.

Example – If you are changing from a May filer to a December filer, you will be required to file a short period return from 06/01 to 12/31.

A corporation may prorate its license fee when its tax year is changed and a return of less than 12 months is required. This proration applies only to short periods due to a change in accounting period and does not apply to short periods due to initial or final returns. The prorated license fee cannot be less than **\$25.00**. A license fee is not generally required on final returns. See **SC Code Section 12-20-80**.

CORPORATE TAX RETURN

SC1120

Special Returns for Certain Organizations

Not Required to File SC1120:

- Non-profit corporations: file SC990T (income only)
- Banks: file SC1101B (income only)
- Savings and Loans: file SC1104 (income only)
- S Corporations: file SC1120S (license fee only)
- Public utility tax return: SC1120U (income and license fee)
- Homeowners Associations filing federal Form 1120H with no taxable income.
- Insurance Companies: File with the South Carolina Department of Insurance.

REQUIREMENTS FOR FILING AND PAYING



Requirements for Filing a Return

1. Corporate returns must be filed as long as the Corporation's charter or authority to do business is in good standing with the South Carolina Secretary of State.
2. If you have discontinued your business, a final return **cannot** be accepted as such until the proper dissolution papers or withdrawal documents (for foreign corporations) have been completed and filed with the Secretary of State's Office.
3. If your corporation is dormant or you do not have any income or business to report in an accounting period, you are still required to file a corporate tax return including the annual report (Schedule D) and pay any tax or license fee due each year by the 15th of the third month after the end of your business year.
4. The annual report (Schedule D) is part of the corporate tax return.
5. There is a minimum \$25 license fee due annually. This fee is paid a year in advance. For example: Income period end 12-2010 would have a License period end of 12-2011
6. A corporate return must cover twelve months. The only exception is your initial or final return which may be for a shorter period.

Requirements for Paying Taxes: Tax Rate

- The starting point in determining South Carolina taxable income is the corporation's federal taxable income.
- Income tax liability - The tax rate on South Carolina net income is 5%.
- License fee - The license fee for the return is pre-paid a year in advance.
- The tax of .001% times the capital stock and paid-in-surplus plus \$15.
- Declaration - estimated tax payments

Declaration of Estimated Tax

- If less than \$100, no declaration is required
- The corporation must file a declaration of estimated income tax with the SC Department of Revenue on or before the fifteenth day of the fourth month following the beginning of the taxable year.
- Declaration payments must cover at least 100% of prior year or 90% of the current year.
- A declaration of estimated tax for the period must be completed on SC1120-CDP and (100%) one hundred percent of the tax liability shown to be due thereon must be paid on or before the fifteenth day of the fourth month after the close of the preceding income year or in four equal installments on the fifteenth day of the fourth, sixth, ninth and twelfth months.
- A corporation may avoid the penalty for Underpayment of Declaration by paying each payment timely if the total tax paid is at least the same as the total tax due, pursuant to requirements for federal estimated income tax in Internal Revenue Code Section 6655. See SC2220 for computation of the penalty.

When to File

In general, a corporation must file its income tax return by the fifteenth day of the third month after the end of the tax year. A new corporation filing a short period return must generally file by the fifteenth day of the third month after the short period ends. A corporation that has dissolved must file by the fifteenth day of the third month after the date it has dissolved and filed the Articles of Dissolution with the Secretary of State. For foreign corporations, an Application for Surrender of Authority must be filed with the Secretary of State.

New Corporate Electronic Filing

Taxpayers can file their South Carolina 1120/1120S (along with their federal corporate returns) electronically in a single transmission using third party tax preparation software. Check out our website at www.sctax.org for information on developers that support corporate Fed/State electronic filing.

FILING EXTENSIONS

SECTION 12-54-70. Extension of time for filing returns or paying tax; tentative return and payment of tentative liability.

- South Carolina Extension (SC1120-T)
- Electronically at www.sctax.org under DOR ePay
- Consolidated
- A schedule must also be attached listing the corporations included in the South Carolina consolidation.
- Federal Extension (7004)
 - If no taxes or license fee is due, the federal extension is accepted
- Expired Extension
 - Six months
- Invalid Extension
 - No money paid with extension and no money in declaration
 - Treated as an invalid charge only if paid late
 - Money paid w/ extension
 - License fee must be paid in full on or before the original due date of the return.

A copy of the federal or South Carolina extension(s) must be attached to the return when filed.

Any income tax or license fee due must be paid by the prescribed due date to avoid the assessment of late penalties and interest.

There is no extension for payment of corporate income tax or license fee.

EXPIRED EXTENSION NOTICES

Three stages of an expired extension:

1. Expired Extension Letter
2. Proposed Assessment
3. Tax Lien



Expired Extension Letter

SECTION 12-60-430. Failure to make report or file return or filing frivolous return; proposed assessment.

- (A) If a taxpayer fails or refuses to make a report or to file a return required by the provisions of this title or required to be filed with the department, the department may make an estimate of the tax liability from the best information available and issue a proposed assessment for the taxes, including penalties and interest.

After 90 days an expired extension letter is sent to the taxpayer.

TXBC114.TXPC114

State of South Carolina
Department of Revenue
301 Gervais Street, Columbia, South Carolina, 29201

DECEMBER 15, 2008

File Number

Period Ended

12-2007 INCOME

12-2008 LICENSE

Gentlemen:

The extension granted for filing your South Carolina Corporation Tax Return for the period indicated above has now expired.

Having failed to received said return, NOTICE IS HEREBY GIVEN: That unless said return is filed within twenty days from the date of this Notice, this office will proceed in accordance with the provision of Section 12-60-430, Code of Laws 1976, as Amended, to make a return for you according to its best information and belief and from such return, to determine the tax and assess the same together with applicable penalties.

If your records indicate that the return for the period indicated has been filed, please forward a complete copy of the return and a copy of the canceled check which accompanied the return.

If your records indicate that this return was not filed, please forward the return with your remittance for all amounts due thereon. Upon receipt of your return, this office will advise as to minimum penalties and interest due.

This is not a demand for payment if you are currently in bankruptcy proceedings under Title 11 of the US Code.

Please attach a copy of this letter to the front of your return to expedite processing and send to: South Carolina Department of Revenue, Corporation Returns, Columbia, SC 29214-0100.

Very truly yours,

SOUTH CAROLINA DEPARTMENT OF REVENUE
CORPORATE SECTION
(803) 895-1730

IC-25 (Rev. 1/6/04) 3139

Estimated Tax Assessment for an Expired Extension

*After 120 days a proposed notice of assessment is issued.
After 45 days the assessment converts to a tax Lien.*

1350		STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE ASSESSMENT	C-133 (Rev. 9/12/07) 6013
Contact: SID/Suffix: 1 Tax Type: CORPORATE INCOME TAX		CHA	Contact Number: FEI/SSN: Receivable Number: File Number: Date of Notice: Legal Tax Lien Date: Period Ended:
Tax Amount Due: 200.00 Penalty Amount: 268.00 Interest Amount: 22.03 Total Amount Due: 490.03		EXPIRED EXTENSION	Tax Due Date: PEN PER 12-54-43/210
<p>This demand for payment is not applicable if you are currently in bankruptcy proceedings under Title 11 of the US Code. Any monies due will be sought in accordance with provisions of Title 11.</p> <p>Complete the section below and return with your payment. If you have already made payment, please provide copies of cancelled check(s) and support document(s) to the address below. You may submit payment electronically by going to the agency's website at www.sctax.org. Click on the link to EPay. EPay will allow you to provide payment by either credit card (MasterCard or VISA) or by electronic funds withdrawal (EFW) from your bank account.</p> <p>..... detach here</p>			
1350		STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE ASSESSMENT	C-133 (Rev. 9/12/07) 6013
SC DEPT OF REVENUE NOA COLUMBIA SC 29214-0030			Receivable Number: ▶ File Number: Legal Tax Lien Date: 09/03/08 SID/Suffix: FEI/SSN: Period Ended: 12/06 TOTAL AMT DUE: ▶ 490.03
Tax Type: CORPORATE INCOME TAX			
Date:			Amount Enclosed: ▶

ONCE THE TAX RETURN IS RECEIVED,

Proposed Notice of Assessment
Adjustments will be made according to tax liabilities.

Computing Tax Lien



CLAIMING AND VERIFYING

What happens to monies overpaid by the taxpayer?

Taxpayer claims declaration payments paid were a total of \$8,790 but corporate agent verified \$11,720. The overpayment is applied to the next accounting period. A declaration letter is sent to the taxpayer indicating that there is a discrepancy in what the taxpayer claimed and what was verified.

PART I COMPUTATION OF INCOME TAX LIABILITY	1. Federal Taxable Income per Federal Form 1120 or 1120A	1.	111,210.
	2. Net Adjustment from line 12, Schedule A and B	2.	9,668.
	3. Total Net Income as Reconciled (line 1 plus or minus line 2)	3.	120,878.
	4. If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3.	4.	120,878.
	5. LESS: South Carolina net operating loss carryover, if applicable	5.	
	6. South Carolina Net Income subject to tax (line 4 less line 5)	6.	120,878.
	7. TAX: Multiply amount on line 6 by 5% (.05)	7.	6,044.
	8. Less tax deferred on income from foreign trade receivables	8.	
	9. Balance (line 7 less line 8)	9.	6,044.
	10. Credit Carryover (line 7, Schedule C)	10.	<
	11. Balance (line 9 less line 10). Enter the difference but not less than zero	11.	6,044.
	12. Interest Due (See penalty and interest instructions.) Enter Total.	12.	
	13. TOTAL INCOME TAX, Interest and Penalty Due (add lines 11 and 12)	13.	6,044.
PART II COMPUTATION OF LICENSE FEE	14. FEE DUE - Line 13 x .001, plus \$15.00 (Fee cannot be less than \$25.00 per taxpayer)	14.	8,790.
	15. Total Payments (add lines 14a through 14f)	15.	8,790.
	16. Balance of Tax and License Fee Due (line 13 less line 15)	16.	
	17. Interest Due (See penalty and interest instructions.) Enter Total.	17.	
	18. TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17)	18.	
	19. OVERPAYMENT (line 15 less line 13)	19.	2,731.
	(a) Estimated Tax	2,706.	
	(b) License Fee	25.	
	(c) REFUNDED		
	20. Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E)	20.	1,0000.
21. FEE DUE - Line 20 x .001, plus \$15.00 (Fee cannot be less than \$25.00 per taxpayer)	21.	25.	
22. Credit Carryover	22.	<	
23. Balance (line 21 less line 22)	23.		
24. Payments: (24a) Paid with Tentative Return	24.		
25. Total Payments (add line 24a and 24b)	25.		
26. Balance of Fee Due (line 23 less line 25)	26.		
27. Interest Due	27.		
28. TOTAL LICENSE FEE, Interest and Penalty Due	28.		
29. OVERPAYMENT (line 25 less line 23)	29.		
(a) Estimated Tax			
(b) Income Tax			
(c) REFUNDED			
30. GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 18 and 28) ... EFT <input type="checkbox"/>	30.		

Make check payable to: SC Department of Revenue. Include Business Name, FEI Number and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.

Although monies were transferred to the next accounting period, you still have the option to request a refund for that amount by letter on the corporation's letterhead with the signature of an officer of the corporation.

DECLARATION LETTER

State of South Carolina
Department of Revenue
301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

July 9, XXXX

XXX Corporation
P O Box XXXX
COLUMBIA SC XXXXX

File No. XXXXXXXX-X

Dear Taxpayer:

Reference is made to your South Carolina Corporate Tax Return for the period ending 12/08 Income and 12/09 License. There was a discrepancy in the total payments claimed for this period. Listed below are the payments verified:

Applied from prior year	\$ 0.00		
Estimated payments	\$2,930.00	Deposited date	12-17-2008
	2,930.00		09-05-2008
	2,930.00		06-18-2008
	<u>2,930.00</u>		05-13-2008
Total payments verified:	\$11,720.00		
Total payments claimed on tax return	<u>8,790.00</u>		
Additional amount carried forward to 2009	\$2,945.00		
Total amount requested to be carry forward	<u>2,706.00</u>		
Total amount applied to 2009	\$5651.00		

The return was processed based on the amounts verified and the adjustments have resulted in applying the amount of \$5651.00 to declaration tax for the tax year 2009. If you do not wish to carry forward the additional \$2945.00 to the next accounting period, you may request a refund by letter with an officer signature. Otherwise, please make the proper adjustments to your record.

If you have any question concerning this matter, please call us at the telephone number below.

Sincerely
SOUTH CAROLINA DEPARTMENT OF REVENUE
TAX RESOLUTION AND SERVICE
Corporate Tax Section
(803) 896-1730

FILING AN AMENDED RETURN

1350		State of South Carolina 'C' CORPORATION INCOME TAX RETURN Return is due on or before the 15th day of the 3rd month following the close of the taxable year. If a refund or zero return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0033 If a balance due return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0034	SC1120 (Rev. 8/31/10) 3091
SC FILE # _____	Attach complete copy of Federal Return		
INCOME TAX PERIOD ENDING _____ LICENSE FEE PERIOD ENDING _____	County or Counties in SC Where Property is Located:		
FEIN _____	City _____	Audit Location _____	State _____
NAME _____ MAILING ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____	Audit Contact _____		Telephone Number _____
Change of <input type="checkbox"/> Address <input type="checkbox"/> Accounting Period <input type="checkbox"/> Officers	check if <input type="checkbox"/> Amended Return <input type="checkbox"/> Consolidated Return		
	Total Gross Receipts. <input type="checkbox"/>	Total cost of depreciable personal property in SC. <input type="checkbox"/>	
	If Filing a Final Return, see General Instructions, page 6. You MUST close your account with the SECRETARY OF STATE and complete I-349. <input type="checkbox"/> Merged <input type="checkbox"/> Reorganized <input type="checkbox"/> Dissolved <input type="checkbox"/> Withdrawn		

In order to amend a previously filed SC1120 or SC1120S, complete a new form and check the amended box on the face of the return. **Also, write Amended on the face of the return.** An explanation of the adjustments and a copy of the federal 1120X must be attached to the amended return.

Amending a Return for Overpayment

SECTION 12-60-470. Taxpayers' refund claim; time for filing; contents.

(A) A taxpayer may seek a refund of a state tax by filing a written claim for refund with the department. A claim for refund is timely filed if filed within the period specified in Section 12-54-85 even though the time for filing a protest under Section 12-60-450 has expired and no protest was filed.

(B) The refund claim must specify:

- (1) the name, address, and telephone number of the taxpayer;
- (2) the appropriate taxpayer identification number or numbers;
- (3) the tax period or date for which the tax was paid;
- (4) the nature and kind of tax paid;
- (5) the amount which the taxpayer claims was erroneously paid;
- (6) a statement of facts supporting the taxpayer's position;
- (7) a statement outlining the reasons for the claim, including law or other authority upon which the taxpayer relies; and
- (8) other relevant information that the department may reasonably require.

Statute of Limitation

For refund requests, claims must be filed within three years from the time the return was filed, or two years from the date the tax was paid, whichever is later.

SECTION 12-54-85. Time limitation for assessment of taxes or fees; exceptions. (F)(1) Except as provided in subsection (D), claims for credit or refund must be filed within three years from the time the return was filed, or two years from the date the tax was paid, whichever is later. If no return was filed, a claim for credit or refund must be filed within two years from the date the tax was paid. **A credit or refund may not be made after the expiration of the period of limitation prescribed in this item for the filing of a claim for credit or refund, unless the claim for credit or refund is filed by the taxpayer or determined to be due by the department within that period.**

RETURNS CLAIMING WITHHOLDING FROM OTHER TAXES



Corporate taxpayers are allowed to claim a withholding tax credit on their tax return (SC1120). Before South Carolina Department of Revenue can allow this credit claimed, it is required that the taxpayer provide a withholding statement (Form W2, 1099, or I-290) showing the amount claimed as a credit on their corporate return and a schedule of the amounts withheld on a monthly basis.

The following example takes you through the process of how monies are verified and transferred from one tax type to the corporate tax return.

There are Three Methods to Claim Withholding on SC1120

1. Nonresident Real Estate Withholding (**I-290**): Anyone making payments to a nonresident seller for the purchase of real property or real and associated tangible personal property must deduct and withhold on the sales at the rate of 5% if the nonresident seller is a corporation. (Code Section 12-8-580)
2. Partnership Withholding (**1099MISC**) must provide nonresident shareholders a 1099 MISC with "South Carolina Only" written at the top showing the amount of income paid and SC tax withheld from the nonresident shareholder. (Code Section 12-8-590). **Partnership** – The South Carolina withholding tax can be allocated and passed through to the partners of the corporation. (Code Section 12-8-590).

3. Employer 2% withholding (**1099MISC or W2**): A person hiring or contracting with a nonresident taxpayer is required to withhold 2% of each payment made to the nonresident on contracts exceeding \$10,000. (Code Section 12-8-550)

12. Interest on DISC-deferred tax liability _____; or Foreign Trade Deferred Tax Liability _____	12. _____
13. Total tax and/or interest (add lines 11 and 12) _____	13. _____
14. Payments: (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ _____	
(c) Paid with Tentative Return ▶ _____ (d) Credit from Line 29b ▶ _____	
Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____	
15. Total Payments and Refundable Credits (add lines 14a through 14f) _____	15. _____
16. Balance of Tax and/or Interest Due (line 13 less line 15) _____	16. _____
17. Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total. _____	17. _____
18. TOTAL INCOME TAX, Interest and Penalty Due (add lines 16 and 17) _____ BALANCE DUE	18. _____
19. OVERPAYMENT (line 15 less line 13) _____ To be applied as follows:	
(a) Estimated Tax ▶ _____ (b) License Fee ▶ _____ (c) REFUNDED ▶ _____	

SC1120 - Line 14(a) and SC1120S – Line 8(a)

6. South Carolina net income subject to tax (line 4 less line 5) _____	6. _____
7. TAX: Multiply amount on line 6 by .05 (5.0%) _____	7. _____
8. Payments: (a) Tax Withheld (see instructions) ▶ _____ (b) Paid by Declaration ▶ _____	
(c) Paid with Tentative Return ▶ _____ (d) Credit from Line 23b ▶ _____	
Refundable Credits: (e) Ammonia Additive ▶ _____ (f) Milk Credit ▶ _____	
9. Total Payments and Refundable Credits (add lines 8a through 8f) _____	9. _____
10. Balance of Tax Due (line 7 less line 9) _____	10. _____
11. Interest Due ▶ _____ Penalty Due ▶ _____ (See penalty and interest instructions.) Enter Total. _____	11. _____
12. TOTAL INCOME TAX, Interest and Penalty Due (add lines 10 and 11) _____ BALANCE DUE	12. _____
13. OVERPAYMENT (line 9 less line 7) _____ To be applied as follows:	
(a) Estimated Tax ▶ _____ (b) License Fee ▶ _____ (c) REFUNDED ▶ _____	

Attach all I-290s and federal forms W-2 and 1099. **(South Carolina Schedule K-1 or Partner Information (SC1065) or Settlement Statements are not accepted.)** See Code Section 12-8-590(D) and Code Section 12-8-1540(A). If you are a fiscal year taxpayer, include a schedule of amounts withheld on a monthly basis.

FAILURE TO FILE

A South Carolina Corporate return is required to be filed, **regardless of the activity**, from the date the charter/authority is granted through the date of voluntary dissolution/withdrawal.

Six Common Reasons for Failing to File:

1. Started business after date of incorporation
2. No activity
3. Filed consolidated return
4. Changed accounting period
5. Double setup
6. Business closed

Most Common Reason for Failing to File

1350		State of South Carolina 'C' CORPORATION INCOME TAX RETURN <small>Return is due on or before the 15th day of the 3rd month following the close of the taxable year.</small>	SC1120 <small>(Rev. 7/25/08)</small>
Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100 3091			
SC FILE # _____	Attach complete copy of Federal Return		
INCOME TAX PERIOD ENDING _____	County or Counties in SC Where Property is Located: _____		
LICENSE FEE PERIOD ENDING _____	City _____	Audit Location _____	State _____
FED EI # _____	Audit Contact _____ Telephone Number _____		
NAME _____	Check if <input type="checkbox"/> Amended Return <input type="checkbox"/> Consolidated Return		
MAILING ADDRESS _____	Total Gross Receipts. _____ Total cost of depreciable personal property in SC. _____		
CITY _____ STATE _____ ZIP CODE _____	If Filing a Final Return, See Instructions for Further Information.		
Change of <input type="checkbox"/> Address <input type="checkbox"/> Accounting Period	<input type="checkbox"/> Merged <input type="checkbox"/> Reorganized <input type="checkbox"/> Dissolved <input type="checkbox"/> Withdrawn		

■ Merge ■ Reorganize
■ Dissolve ■ Withdraw

If you check merged, dissolved or withdrawn – A corporation must continue to file a return and pay the license fee until such charter or qualification is canceled with the SECRETARY OF STATE regardless of the activity of the corporation.

If you check reorganize – It will depend on how you are going to reorganize.

Example:

- If you plan to reorganize by changing ownership type from a Corporation to a Limited Liability Company and you are keeping your federal ID number but still want to conduct business as a corporation for tax purposes, you will still be required to file.

- If you reorganize and change from a corporation to a partnership, you must continue to file a return and pay the license fee until such charter or qualification is cancelled with the SECRETARY OF STATE, regardless of the activity of the corporation.

What Happens If You Fail to File?

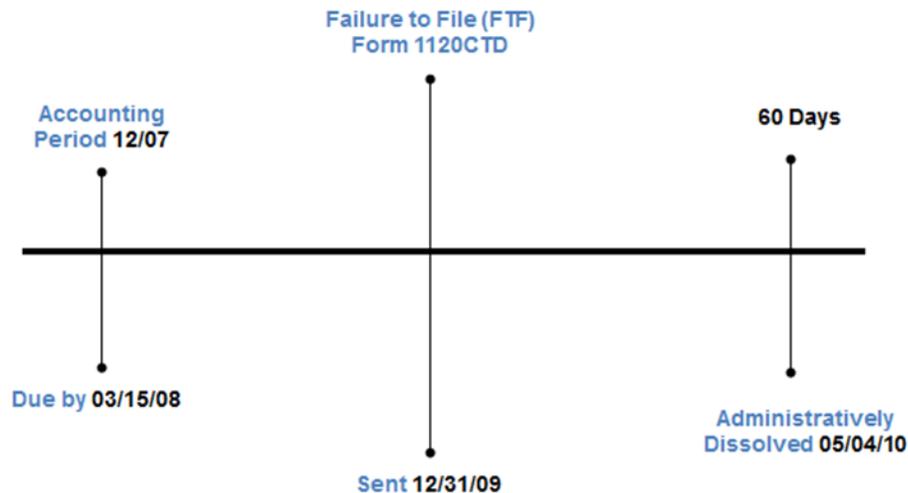
A notice for Failure to File is sent to the taxpayer

	STATE OF SOUTH CAROLINA DEPARTMENT OF REVENUE	SC1120-CTD (Rev. 4/7/05) 3094
NOTICE FOR FAILURE TO FILE		
Contact: CORPORATE SECTION Tax Type: CORPORATE TAX		Contact Number: (803) 896-1730
SC File Number: Income Period: License Fee: Date of Notice:		
<p>Dear Taxpayer(s):</p> <p>Our records indicate we have not received your South Carolina Corporate Tax Return for the period 08-2006.</p> <p>If you have filed a return and paid the tax due for the period 08-2006, please complete and return the bottom portion of the notice.</p> <p>If you have not filed a return for the period 08-2006, you must file a return and pay any tax due with applicable penalties and interest within sixty (60) days from the date of this notice. Returns must be filed as long as the Corporation's charter or authority to do business is active with the South Carolina Secretary of State. If we do not receive this return, the South Carolina Department of Revenue is required by law to initiate action for cancellation of your charter or authority to do business in South Carolina in accordance with SC Code Section 33-14-200 and 33-15-900.</p> <p>In the event this corporation has no current business activity in South Carolina but wishes to maintain its active charter or authority, a return must be filed and license fee must be paid. If the corporation wishes to discontinue its charter or authority to do business in South Carolina, please contact the South Carolina Secretary of State at (803) 734-2158.</p> <div style="border: 1px solid black; padding: 2px; margin: 5px 0;"> <p>You are required to file a tax return even if you are in bankruptcy proceedings under Title 11 of the United States Code. Any monies due will be sought in accordance with provisions of Title 11.</p> </div> <p>Please check appropriate box and complete the information below and return to SC Department of Revenue, Corporation Tax Section, Columbia, SC 29214-0025.</p> <p>(1) <input type="checkbox"/> Return filed on _____, SC File Number _____ FEI Number _____ <small>(date) (ATTACH COPY OF THE RETURN)</small></p> <p>(2) <input type="checkbox"/> The income/license fee for this period was/will be included in a consolidated return with Parent Corporation: SC File Number _____ FEI Number _____</p> <p>(3) <input type="checkbox"/> Period ended date is incorrect. Correct period ended date is: _____</p> <p>(4) <input type="checkbox"/> Filing as an LLC: <input type="checkbox"/> Partnership FEI _____ <input type="checkbox"/> Sole Proprietor FEI _____</p> <p>(5) <input type="checkbox"/> Other (please explain) _____ _____ _____</p> <p>I authorize the Director of the Department of Revenue or delegate to discuss this notice, attachments and related tax matters with the contact person.</p> <p>Contact person _____ Phone Number _____</p> <p style="text-align: center;">Signature of officer _____ Date _____</p>		

If taxpayer does not respond within 60 days, the corporation is administratively dissolved.

This means your account has been closed by the Secretary of State for failing to comply.

Corporate Timeline for Failure to File



ADMINISTRATIVELY DISSOLVED

SECTION 33-15-300. Grounds for revocation.

(a) The Secretary of State shall commence a proceeding under Section 33-15-310 to revoke the certificate of authority of a foreign corporation authorized to transact business in this State if:

(1) the foreign corporation does not deliver its **annual report to the Department of Revenue when due;**

(2) the foreign corporation **does not pay, when they are due, any franchise taxes,** taxes payable under Chapter 7 of Title 12, or penalties imposed by this act or other law;

The Reasons Why SC Department of Revenue Will Send a Certificate of Revocation of Authority

- Failure to file an annual report
- Failure to pay license fee

A letter signed by the Secretary of State is generated and sent to the taxpayer.

DEPARTMENT OF STATE

COLUMBIA, SOUTH CAROLINA

CERTIFICATE OF REVOCATION OF AUTHORITY

Whereas, Section 33-15-300, of the 1976 Code of Laws of S.C., as amended, provides for the Revocation of Foreign Corporation's Authority in the State of South Carolina if the corporation has failed to:

- (1) File its annual report within the time required by Code, or
- (2) Pay its franchise tax on or before the date on which such franchise tax is due and payable, or
- (3) Appoint and maintain a registered agent in this State, or
- (4) Notify the office of The Secretary of State of a change in its registered agent or registered office.

AND WHEREAS, IT APPEARS FROM THE RECORDS IN THIS OFFICE, THAT THE ABOVE NAMED CORPORATION, AFTER DUE NOTICE, HAS FAILED TO MEET REQUIREMENTS OF NOS. 1 AND/OR 2 ABOVE SET FORTH.

NOW THEREFORE, UNDER THE AUTHORITY OF SAID ACT, THE AUTHORITY OF THE ABOVE CORPORATION IS HEREBY DECLARED FORFEITED AND REVOKED THIS 30 DAY OF JAN, 2008 .

Inquiries concerning this administrative dissolution should be directed to the SC Department of Revenue, Corporate Section, Columbia, SC 29214-0100 or call (803) 898-5705.

Mark Hammond
Secretary of State

SOS-4 (Rev. 1/28/03) 3121

R.D. TXPCI017

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HOW TO REINSTATE

To reinstate the corporate charter/authority, you will need to complete the following:

- (1) Complete Form C-268 (Certificate of Tax Compliance Request Form). You may download this form from our website www.sctax.org. Under quick links go to “Forms and Instructions” and then click “Other Forms”. Once you have completed the form, please mail it along with \$60 to: **Taxpayer Advocate Section, P O Box 11189, Columbia, SC 29211-1189.**
- (2) Upon receipt of form C-268, a review of all tax types for which your corporation is responsible will be conducted. The corporation will be immediately notified of any delinquencies and has thirty days to comply. If there are no delinquencies, the corporation will be issued a Certificate of Tax Compliance.
- (3) Once the corporation receives the Certificate of Tax Compliance, it is required to file an Application for Reinstatement of a Corporation Dissolved by Administrative Action with the Secretary of State's Office. For more information about this form, you can write the Secretary of State's Office at PO Box 11350: Columbia, SC 29211 or call them at (803) 734-2158.

WHAT IF THE CORPORATION WAS CERTIFIED IN ERROR?



Once research has been done by the Department of Revenue and if the corporation was closed in error, a letter is sent to the SC Secretary of State's Office and the taxpayer stating the corporation was closed in error and requesting reinstatement.

State of South Carolina
Department of Revenue
301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

July 1, 2010

File: XXXXXXXX-X

Office of Secretary of State
Capital Complex
1205 Pendleton St Suite 525
Columbia, SC 29201

SUBJECT:

Dear Mr. Hammond:

Upon review, it has been determined that the charter/authority of the above referenced corporation was erroneously cancelled on March 20, 2000 and it is, therefore, respectfully requested that you reinstate the charter/authority of said corporation.

Yours Truly,

SC Department of Revenue
Tax Resolution and Services

Corporate Section
(803) 896-1730

cc:

CLOSING A CORPORATION

1. A domestic corporation must file Articles of Dissolution with the Secretary of State.
2. A foreign corporation must file an Application for Surrender of Authority to do Business with the Secretary of State.
3. The corporation must file a final tax return by the 15th day of the 3rd month after the end of the tax year after filing the Articles of Dissolution or Application for Surrender of Authority to do Business
4. The final return must include a schedule showing the distribution of the assets to the stockholders, Form I-349.

Final Tax Return

A corporation must follow the steps listed below when filing a "Final Return" and ceasing to exist or when withdrawing from this state.

1350		State of South Carolina 'C' CORPORATION INCOME TAX RETURN <small>Return is due on or before the 15th day of the 3rd month following the close of the taxable year.</small>	SC1120 <small>(Rev. 8/28/09)</small> 3091
Mail return to: SC DEPARTMENT OF REVENUE, Corporation Return, Columbia SC 29214-0100			
SC FILE # _____ INCOME TAX PERIOD ENDING _____ LICENSE FEE PERIOD ENDING _____ FEIN _____ NAME _____ MAILING ADDRESS _____ CITY _____ STATE _____ ZIP CODE _____ Change of <input type="checkbox"/> Address <input type="checkbox"/> Accounting Period	Attach complete copy of Federal Return County or Counties in SC Where Property is Located: City Audit Location State Audit Contact Telephone Number Check if <input type="checkbox"/> Amended Return <input type="checkbox"/> Consolidated Return Total Gross Receipts. Total cost of depreciable personal property in SC. ▶ ▶		
If Filing a Final Return, see General Instructions, page 6. You MUST close your account with the SECRETARY OF STATE and complete I-349. <input type="checkbox"/> Merged <input type="checkbox"/> Reorganized <input type="checkbox"/> Dissolved <input type="checkbox"/> Withdrawn			

ADVANCED CORPORATE TAX

INCOME TAX RETURNS AND PAYMENT

A. Filing Returns and Payment

1. Due Dates

a. Income Tax Returns



i. General Provisions

Income tax return due dates are:

1. Corporations must file returns on or before the 15th day of the third month following the end of their taxable year.
2. Foreign corporations that do not maintain an office or place of business in the United States must file returns on or before the 15th day of the sixth month following the end of their taxable year.
3. Nonprofit organizations exempt under Internal Revenue Code §501 that are reporting unrelated business income must file returns on or before the 15th day of the fifth month following the end of their taxable year.
4. All other taxpayers must file returns on or before the 15th day of the fourth month following the end of their taxable year.

Note: A domestic corporation is required to file an income tax return each year from the time its charter is granted until voluntary dissolution, regardless of whether any income is earned or any business activity is conducted in South Carolina. A foreign corporation that has income tax nexus with South Carolina is required to file an income tax return from the time a certificate of authority to transact business is granted until voluntary dissolution or withdrawal from the State. A foreign corporation that has been granted a certificate of authority to transact business in South Carolina who does not have nexus with South Carolina should notify the Department's Corporate Section or file a "zero" return each year in order to avoid a computer generated failure to file notification.

The Department will notify a domestic or foreign corporation of its failure to comply with the provisions requiring the filing of returns. If the corporation fails to file the required return within 60 days of the notice, the Department may provide the taxpayer's name to the Secretary of State. After referral, the Secretary of State may administratively dissolve a domestic corporation or revoke a foreign corporation's authority to transact business in South Carolina.

The following types of returns are available from the Department:

1. SC1120 C Corporation Income Tax Return
2. SC1120S S Corporation Income Tax Return
3. SC1120U Public Utility Tax Return
4. SC1101-B Bank Tax Return
5. SC1104 Savings and Loan Association Tax Return
6. SC990T Exempt Organization Business Income Tax Return

Taxpayers filing a federal Form 1120-F, "U.S. Income Tax Return of a Foreign Corporation," Form 1120-H, "U.S. Income Tax Return for Homeowners Associations," Form 1120-POL, "U.S. Income Tax Return for Certain Political Organizations," Form 1120-REIT, "U.S. Income Tax Return for Real Estate Investment Trusts," or other similar federal forms should file a Form SC1120, "C Corporation Income Tax Return," for South Carolina purposes. Insurance companies do not file income tax returns with the Department. The South Carolina Department of Insurance administers insurance premium taxes and license fees.

ii. Filing Requirements Where Nexus is an Issue

The Department has developed a voluntary compliance procedure for taxpayers who have nexus with South Carolina but are not registered with the Department to collect or remit South Carolina taxes. This procedure is designed to encourage nonfilers to come forward voluntarily and begin paying taxes without incurring penalties and to allow the Department to maximize compliance.

b. Information Returns

Certain information returns required pursuant to SC Code §12-6-4950 must be filed on or before March 15th each year. These returns are those filed by persons making payments to another individual, corporation, or partnership for: (1) \$200 or more of interest or dividends or (2) \$800 or more of rent, salaries, wages, emoluments, or determinable gain, profit, or income

Note: In an effort to reduce the paperwork burden for taxpayers, if the taxpayer files a federal Form 1099 with the Internal Revenue Service and there is no South Carolina withholding, then the taxpayer is not required to file the Form 1099 or South Carolina equivalent with the Department. This does not eliminate the requirement to file Form 1099 with the Internal Revenue Service or to give one to the payment recipient.

Notwithstanding the above, see Section .09 of this portfolio for a discussion of the due dates of returns and the appropriate forms to file for claiming job development or job retraining credits against withholding or remitting withholding on:

1. Wages.
2. S corporation nonresident shareholders.
3. Nonresident contractors conducting business or performing personal services of a temporary nature in South Carolina for contracts of \$10,000 or more.
4. Rents or royalty payments to nonresidents of \$1,200 or more in a calendar year.
5. Sales of real property and associated tangible personal property by a nonresident.

c. Final Returns

A domestic corporation ceasing to exist in South Carolina must file articles of dissolution with the South Carolina Secretary of State. It must also file a final income tax return on or before the 15th day of the third month following the filing of the articles of dissolution. An I-349 schedule must accompany the final return. An extension of time to file may be obtained by filing Form SC1120T prior to the original due date of the return.

A foreign corporation withdrawing from South Carolina must file articles of withdrawal with the Secretary of State.

Note: A multistate corporation that ceases operations in South Carolina but otherwise continues in business is not an event that causes the income tax year to end. A taxpayer's taxable year for South Carolina income tax purposes is the same as the taxpayer's taxable year for federal income tax purposes.

A taxpayer planning to cease doing business in South Carolina by the incorporation of an existing business or, in the case of a corporate taxpayer other than a subsidiary corporation, by the dissolution or surrender of its charter, shall make a complete accounting of all items of income and expense not previously taken into account because the accounting method used by the taxpayer did not require the reporting of the items. A corporate taxpayer shall report all items of such income in its final return.

d. Amended Returns

SC Code §12-54-85(F) sets forth time limits within which taxpayers must file claims for refunds.

e. Electronic Funds Transfer



Corporations may be required to or may voluntarily participate in the payment of certain taxes, such as income taxes, estimated tax payments, corporate license fees, or withholding, through electronic funds transfer. The following briefly explains South Carolina's Electronic Funds Transfer Program.

A corporation with \$15,000 or more in a corporate income tax, withholding, or certain miscellaneous tax liability in one tax period during the previous 12 months is required to

participate in South Carolina's Electronic Fund Transfer Program ("EFT"). In addition, any corporation that does not meet the dollar threshold may voluntarily participate in the program.

To register for the EFT program, a corporation must complete Form D-128, "Registration Application for Electronic Funds Transfer." A separate form must be completed for each type of tax being paid through the program. Upon receipt of the application, the Department will establish and notify the corporation of the effective date to begin EFT payments. A corporation mandated to use EFT may withdraw from EFT if for a period of 12 consecutive months or 4 consecutive quarters, the \$15,000 threshold is not satisfied. A written request to withdraw must be provided and is effective upon notification by the Department.

There are four payment options that exist with EFT. These are:

1. Automated Clearing House Debit (ACH Debit). This option allows the corporation to authorize the State to electronically transfer tax payments from its depository into the State's account. Initiation of the transaction occurs through a telephone call from the corporation to the State's agent or by initiating a payment through the internet. The cost of this transaction is charged to the State.
2. Automated Clearing House Credit (ACH Credit). This option allows the corporation to initiate ACH transfers using the Cash Concentration and Disbursement Plus (CCD+) format. Initiation of the transaction must be done with the corporation's bank. The Department recommends that the taxpayer first contact its bank to discuss available ACH origination services and fees. The cost of this transaction is charged to the taxpayer.
3. Fedwires. This option is for emergencies only and must be preapproved by the Department.
4. Cash. This option may only be used if the cash is hand delivered to the Department's main office. Cash does not include cashier's checks, money orders, or personal checks.

A corporation does not need to file the paper Form SC1120-CDP, "Corporation Declaration of Estimated Income Tax Coupon," if the estimated tax payments are sent through EFT. Note, however, the paper Forms SC1120, "C Corporation Income Tax Return," or SC1120T, "Tentative Corporation Tax Return and Conditional Extension," must be filed even if the income tax payments are sent through EFT.

For withholding tax purposes, a corporation does not need to file the paper Form WH1601, "SC Withholding Tax Payment," if the ACH Debit or ACH Credit method is used. Note, however, the paper Forms WH1605, "Withholding Quarterly Tax Return," and WH1606, "Fourth Quarter/Annual Reconciliation of Income Tax Withholding," must be filed with the Department; any money due with these returns should be sent through EFT. If the corporation uses the cash method, paper Forms WH1601, WH1605, and WH1606 must be filed with the cash payment.

B. Special Types of Returns



1. “Consolidated” (Combined) Returns (SC Code §12-6-5020)

a. Definition

South Carolina uses an unusual method to compute the tax on a “consolidated” corporate income tax return, Form SC1120, that may be filed by certain affiliated corporations. South Carolina has not adopted the federal consolidation rules in Internal Revenue Code §§1501 through 1505. There are no elimination adjustments for intercompany transactions such as those for federal income tax purposes. South Carolina’s “consolidated” rules treat each corporation in an affiliated group as a separate taxpayer. This approach requires the computation of the separate net income or loss of each corporation with the application of separate apportionment ratios for each. The separate South Carolina income or loss of each corporation is added together to arrive at combined, “consolidated,” net income upon which the tax is computed. Credits may then be applied to reduce the total tax liability of the group, regardless of whether the corporation earning the credit had a separate South Carolina tax liability. Only corporations meeting certain requirements are allowed to file a consolidated South Carolina income tax return. These requirements are discussed below.

Note: The term “consolidated” will be used throughout this portfolio for consistency.

b. General Rules

South Carolina’s consolidated return is a single corporate income tax return for two or more corporations in which income or loss is separately determined as follows:

1. South Carolina taxable income or loss is computed separately for each corporation.
2. Allocable income or loss is allocated separately for each corporation.
3. Apportionable income or loss is computed utilizing separate apportionment factors (gross receipts, or the “three factor” method with double weighted sales, for each corporation).
4. Income tax credits, including the carryover of unused credits, may be determined on a combined basis. Limitations on credits which refer to the income or the income tax liability of a corporation are deemed to refer to the consolidated group. Credits reduce the consolidated group’s tax liability regardless of whether or not the corporation entitled to the credit contributed to the tax liability.
5. Income or loss computed above is added together and reported on one return for the controlled group.

A consolidated return may be filed by the following controlled corporations:

1. A parent and substantially controlled subsidiary or subsidiaries.
2. Two or more corporations under substantially the entire control of the same interest.

The terms “substantially controlled” and “substantially the entire control” mean the ownership of at least 80% of the total combined voting power of all classes of stock of all corporations that are a party to a consolidated return.

Other consolidated return requirements include:

1. The election to file a consolidated return or separate returns must be made on an original and timely filed return and may not be changed after the return is filed.

Comment: *There is no election statement such as federal Forms 1122 or 851. Instead a schedule computing the apportioned income of each member should be attached. The act of filing a consolidated return and checking the consolidated box on the face of the return is sufficient to make the election for South Carolina.*

2. Once a consolidated return is filed, permission must be granted by the Department to file separate returns.
3. All corporations included in a consolidated return must be subject to South Carolina corporate income tax. In other words, each corporation must have nexus with South Carolina. Since banks and savings and loans are not subject to corporate income tax, they may not file a consolidated return.
4. All corporations included in a consolidated return must use the same accounting year.
5. A corporation doing business entirely within South Carolina may file a consolidated return with a corporation doing a multistate business. Two or more corporations doing a multistate business may file a consolidated return.
6. A corporation using the gross receipts method of apportionment may consolidate with a corporation using the “three factor,” double weighted sales, method.
7. Either a consolidated or separate South Carolina income tax return can be filed if a taxpayer files a consolidated return for federal purposes.

Comment: *Many South Carolina consolidated returns are improperly prepared. Common errors include eliminating intercompany transactions and using one combined apportionment formula that uses the combined information of the group and multiplying each subsidiary’s income by the resulting percentage. Confusion may exist in this area due to the design of the South Carolina form (it contains space for only one corporate apportionment factor computation), instructions, and software vendor/operator errors. Indeed in the past, blank apportionment factor lines (due to several factors being used for the group) sometimes generated notices from the Department.*

2. Composite Returns for S Corporations (SC Code §12-6-5030)

An S corporation may file a composite individual income tax return on behalf of qualifying nonresident shareholders. A composite return allows the S corporation to combine and report the separate South Carolina income and tax attributable to the nonresident shareholders on a single individual income tax return. Form SC1040, "South Carolina Individual Income Tax Return," is used to file a composite return on behalf of individual shareholders. The composite return is signed by an authorized officer of the S corporation. The composite return is due on or before the 15th day of the fourth month following the shareholders' taxable year end. This will generally be a calendar year with the composite return due on or before the following April 15th.

The composite return may be extended by filing Form SC4868, "Request for Extension of Time to File South Carolina Tax Return." Any tax estimated to be due must be paid with the timely filed extension. An authorized officer of the S corporation may sign the extension request.

The tax due in connection with the composite return is subject to the declaration of estimated tax rules. In general, composite estimated tax payments are required to be made by the S corporation on behalf of any nonresident shareholder participating in the composite return whose expected amount of tax owed with the composite return will be \$100 or more. Estimated tax payments are remitted on Form SC1040ES, "Individual Declaration of Estimated Tax," and are due for calendar year taxpayers other than corporations on the following dates:

1. First Quarter - April 15
2. Second Quarter - June 15
3. Third Quarter - September 15
4. Fourth Quarter - January 15 of the following tax year



Composite return requirements include:

1. Nonresident fiduciary and individual shareholders may participate in filing a composite return.
2. All participating shareholders must have the same tax year.
3. A composite return may be filed even if some of the nonresident fiduciary and individual shareholders eligible to participate in filing a composite return choose not to participate.
4. Shareholders having income within South Carolina from sources other than the S corporation may **not** be included in the composite return.

A composite return is completed as follows:

1. The composite return is remitted using the S corporation's name, address, and federal identification number on the front page of Form SC1040, "South Carolina Individual Income Tax Return," instead of using the individual taxpayer's name, address, and social security number.
2. There are two methods in which the tax may be computed on a composite return.

Each method is explained below:

Method 1: The S corporation may compute each participating shareholder's tax in the same manner as if he was separately reporting his own income and deductions. In other words, each shareholder would be entitled to his prorated share of his standard deduction or itemized deductions as well as his prorated personal exemption amount from his federal return. After separately computing each shareholder's tax, these amounts are added to arrive at the total tax due on the composite return. This total tax amount should be entered on the "TAX" line on page 1 of Form SC1040. A modified South Carolina taxable income amount does not have to be entered on page 1 of Form SC1040, however, a schedule must be attached to the composite return showing each shareholder's name, address, social security number, South Carolina taxable income, prorated exemptions, and deductions and amount of tax separately computed.

Note: If there is not sufficient information to determine the separate liability or the state of residence, then no deduction is allowed for personal exemptions, individual itemized deductions, or standard deductions.

Method 2: The S corporation may report each participating shareholder's entire share of South Carolina taxable income without regard to deductions and exemptions. Each participating shareholder's tax should be separately computed (*i.e.*, apply the tax table separately to each shareholder's taxable income). The separate tax amounts are added to arrive at the total tax due on the composite return. This total tax amount should be entered on the "TAX" line on page 1 of Form SC1040. A modified South Carolina taxable income amount does not have to be entered on page 1 of Form SC1040, however, a schedule must be attached to the composite return showing each participating shareholder's name, address, social security number, South Carolina taxable income, and amount of tax separately computed.

Partnerships may also file composite returns for nonresident partners. Corporate partners may **not** be included on the composite return since they are required to file an annual report and pay a license fee. This procedure is also explained in I-348.

C. Estimated Tax Payments

South Carolina corporate estimated tax payments must be made in accordance with Internal Revenue Code §§6654 and 6655 except that:

1. The small amount provisions in Internal Revenue Code §§6654(e)(1) and 6655(f) are \$100. Estimated tax payments are not required for corporations whose South Carolina income tax is less than \$100.
2. Income for the first installment for corporations is annualized using the first two months of the taxable year.
3. The due dates of estimated payments for calendar year corporations are:
 - a. First quarter: April 15
 - b. Second quarter: June 15
 - c. Third quarter: September 15
 - d. Fourth quarter: December 15

In applying the estimated tax payment provisions to a fiscal year taxpayer, the estimated tax payments are due on the 15th day of the fourth, sixth, ninth, and twelfth months of the tax year. For example, for a fiscal year filer with a June 30 year end, estimated tax payments are due October 15th, December 15th, March 15th, and June 15th.

Estimated tax payments are considered payments on account of income taxes and license fees for the taxable year designated. Estimated payments will be deemed to apply first to income taxes and then apply to license fees.

Comment: This provision has caused some confusion about whether license fees must be paid by estimated tax payments. It is the Department's position that a taxpayer may, but is not required, pay corporate license fees by estimated payment. The license fee must be paid by the original due date of the return, without regard to extensions.

To the extent that corporate estimated tax payments and withholdings are in excess of the taxpayer's income tax liability and license fee liability as shown on the income tax return, the taxpayer may claim a:

1. Refund.
2. Credit for estimated income tax for the succeeding taxable year; or
3. Credit against the corporate license fee for the current taxable year.

Form SC1120-CDP, "Corporation Declaration of Estimated Income Tax," is used to remit corporate estimated tax payments.

SCHEDULES E, F, G, AND H ARE TO BE COMPLETED BY MULTI-STATE CORPORATIONS

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year. \$ _____
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II \$ _____

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1. 1. _____
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7 2. _____
3. Total net income subject to apportionment (line 1 less line 2) 3. _____
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I 4. _____
5. Add: Income subject to direct allocation to SC from Schedule F, line 8 5. _____
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1 6. _____

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)				
		1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)				
9. Rental or Lease Value				
10. TOTAL Property Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
11. GROSS Payroll				
12. Less: Officers Compensation and Exclusions	< >	< >	< >	
13. TOTAL Payroll (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
15. TOTAL Sales (same as line 14)				%
16. TOTAL of Ratios (add Column 3 - lines 10,13, 14 and 15)				%
17. Arithmetical Average of Ratios				%

SCHEDULE H - 2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts			
2. Less: Exclusion (see instructions)	< >	< >	
3. Gross Receipts (for ratio)			
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			%

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3. 1. _____
2. Enter Ratio from Sch H-1, Line 17. 2. _____ %
3. Multiply Line 2 by Line 1. 3. _____
4. Enter Ratio from Line 3 of single factor apportionment schedule. 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 5. _____
6. Line 3 minus Line 5. 6. _____
7. For tax year 2009, multiply amount on Line 6 by 60% (.60). This is the amount of reduction in SC taxable income allowed this year 7. _____
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4. 8. _____

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If \$10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 1. _____
2. Enter the ratio from Sch H-1, Line 17. 2. _____ %
3. Multiply Line 1 by Line 2. If \$10,000 or less, **STOP HERE** and enter on Schedule E, Line 2. 3. _____
4. Enter the ratio from Line 3 of single factor apportionment schedule 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E, Line 2. 5. _____
6. Line 3 minus Line 5. 6. _____
7. For tax year 2009, multiply the amount on Line 6 by 60% (.60). This is the amount of reduction of license fee basis allowed this year 7. _____
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2. 8. _____

SC Illegal Immigration Reform Act – Deduction for Services May be Disallowed

The “South Carolina Illegal Immigration Reform Act” has been enacted. This legislation impacts taxes and licenses administered by the Department primarily in three areas:

- (1) eliminating the income tax deduction for payments made to certain individuals,
- (2) requiring withholding on certain individuals, and
- (3) issuing certain regulatory licenses and permits. The following briefly summarizes the income tax applicability of the Act. See below for discussions of the applicability of the Act to withholding laws and regulatory laws administered by the Department.

Code Section 12-6-1175 has been added to provide that, on or after January 1, 2009, wages or remuneration for labor services of \$600 or more per year may not be claimed and allowed as a deductible business expense for state income tax purposes if paid to an individual who is an unauthorized alien. This prohibition applies whether or not an Internal Revenue Service Form 1099 is issued in conjunction with the wages or remuneration.

Code Section 12-6-1175 does not apply to:

- (1) A business domiciled in South Carolina that is exempt from compliance with federal employment verification procedures under federal law;
- (2) An individual hired by the taxpayer prior to January 1, 2009;
- (3) A taxpayer where the individual being paid is not directly compensated or employed by the taxpayer; or,
- (4) Wages or remuneration paid for labor services to any individual whose employment authorization status was verified in accordance with Code Section 41-8-20.

If, based on a reasonable investigation of the individual, a taxpayer did not know or should not have known that the individual was an unauthorized alien, the taxpayer must not be held liable for failing to comply with this section. A taxpayer shall be deemed to have conducted a reasonable investigation if the individual’s employment authorization status was verified in accordance with the provisions of Code Section 41-8-20 and the information provided by the individual to the taxpayer was facially correct.

Note: For questions about the above income tax provision, e-mail TaxTech@sctax.org or call the Department at 803-898-5709. For questions about unauthorized aliens and the documentation needed to substantiate a person’s status, please contact your attorney, the federal Department of Immigration and Naturalization, or the South Carolina Department of Labor, Licensing, and Regulation.

Effective Date: January 1, 2009

SC Illegal Immigration Reform Act – Withholding Requirements

The “South Carolina Illegal Immigration Reform Act” has been enacted. This legislation impacts taxes and licenses administered by the Department primarily in three areas:

- (1) requiring withholding on certain individuals,
- (2) eliminating the income tax deduction for payments made to certain individuals, and
- (3) issuing certain regulatory licenses and permits. The following briefly summarizes the withholding tax applicability of the Act.

Code Section 12-8-595 has been added to require a withholding agent, as defined in Code Section 12-8-10, to withhold state income tax at the rate of 7% of the amount of compensation that is paid to an individual and reported on Form 1099 if the individual has:

- (1) Failed to provide a taxpayer identification number or social security number;
- (2) Failed to provide a correct taxpayer identification number or social security number; or
- (3) Provided an Internal Revenue Service issued taxpayer identification number issued for nonresident aliens.

If a withholding agent fails to comply with this withholding requirement, the withholding agent will be liable for the taxes required to have been withheld unless the withholding agent is exempt from federal withholding with respect to the individual pursuant to a properly filed Internal Revenue Service Form 8233 (Exemption From Withholding on Compensation for Independent (and Certain Dependent) Personal Services of a Nonresident Alien Individual) and has provided a copy of the form to the Internal Revenue Service Commissioner.

A withholding agent is not considered to have violated this withholding requirement if the individual provided a false or incorrect social security number or taxpayer identification number that was facially correct and the withholding agent does not know or should not have known based on a reasonable investigation that the number provided was false or incorrect.

Note: For questions about the above withholding tax provision, e-mail TaxTech@sctax.org or call the Department at 803-898-5709. For questions about unauthorized aliens and the documentation needed to substantiate a person’s status, please direct your inquiry to your attorney, the federal Department of Immigration and Naturalization, or the South Carolina Department of Labor, Licensing, and Regulation.

Effective Date: June 4, 2008

FORMS



'C' CORPORATION INCOME TAX RETURN

Return is due on or before the 15th day of the 3rd month following the close of the taxable year.

If a refund or zero return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0033

If a balance due return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0034

SC FILE #, INCOME TAX PERIOD ENDING, LICENSE FEE PERIOD ENDING, FEIN, NAME, MAILING ADDRESS, CITY, STATE, ZIP CODE, Attach complete copy of Federal Return, County or Counties in SC Where Property is Located, City, Audit Location, State, Audit Contact, Telephone Number, Check if Amended Return, Consolidated Return, Total Gross Receipts, Total cost of depreciable personal property in SC, If Filing a Final Return, see General Instructions, page 6. You MUST close your account with the SECRETARY OF STATE and complete I-349. Merged, Reorganized, Dissolved, Withdrawn

PART I COMPUTATION OF INCOME TAX LIABILITY table with 19 rows and columns for tax liability calculation.

PART II COMPUTATION OF LICENSE FEE table with 11 rows and columns for license fee calculation.

For Office Use Only

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

- 1. Taxes on or Measured By Income 1. _____
- 2. Federal Net Operating Loss 2. _____
- 3. _____ 3. _____
- 4. _____ 4. _____
- 5. Other Additions (attach schedule) 5. _____
- 6. Total Additions (add lines 1 through 5) 6. _____

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

- 7. Interest On Obligations Of The U.S. 7. _____
- 8. _____ 8. _____
- 9. _____ 9. _____
- 10. Other Deductions (attach schedule) 10. _____
- 11. Total Deductions (add lines 7 through 10) 11. _____
- 12. Net Adjustment (line 6 less line 11) Also enter on line 2, Part 1, SC1120 12. _____

SCHEDULE C SUMMARY OF INCOME TAX CREDITS (FROM SC1120-TC)

- 1. Credit Carryover From Previous Year's SC1120, Schedule C (NOTE: Should agree to SC1120-TC Column A, line 16) . . . 1. _____
- 2. Enter Total Credits from SC1120-TC, Column B, line 16. **SC1120-TC must be attached to return.** 2. _____
- 3. Total Credits (add lines 1 and 2). 3. _____
- 4. Tax (line 9, Part 1, SC1120) 4. _____
- 5. Lesser of line 3 or 4 (enter on line 10, Part 1, SC1120) (NOTE: Should agree to SC1120-TC, Column C, line 16.) . . 5. _____
- 6. Enter Credits Lost Due to Statute (NOTE: Should agree to SC1120-TC, Column D, line 16.) 6. _____
- 7. Credit Carryover (line 3 less lines 5 and 6) (NOTE: Should agree to SC1120-TC, Column E, line 16.) 7. _____

***REFUND NOTE:** Income tax refunds of less than \$100 and license fee refunds of less than \$100 will be applied to the next year's estimated tax unless indicated here: Initial here for refund to be sent. _____

I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

Please Sign Here	Signature of officer	Date	Title	Telephone Number
	I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer.		Yes <input type="checkbox"/> No <input type="checkbox"/>	Preparer's Printed Name
Paid Preparer's Use Only	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	Preparer's Telephone Number
	Firm's name (or yours if self-employed) and address	PTIN or FEIN		ZIP Code

If this is a corporation's final return, signing here authorizes the Department of Revenue to disclose that information with the Secretary of State. You must close with the Secretary of State as well as the Department of Revenue and complete I-349.

Taxpayer's Signature Date

SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

- 1. Name _____
- 2. Incorporated under the laws of the State of _____
- 3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
In the City of _____ Registered Agent at such address is _____
- 4. Location of principal office (street address) _____
Nature of principal business in SC _____

5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
 NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
 NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
 (If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS

8. Date Incorporated _____ Date commenced business in the State of South Carolina was _____

9. Date of this report _____ FEIN _____

10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____

11. Was the name of the Corporation changed during the year? _____ Give old name _____

12. The Corporation's books are in the care of _____
 Located at (street address) _____

13. If filing consolidated, complete and attach Schedule J for each Corporation included in the consolidation.

14. The total amount of stated capital per balance sheet is:
- A. Total paid in Capital Stock (cannot be a negative amount) \$ _____
 - B. Total paid in Capital Surplus (cannot be a negative amount). \$ _____
 - C. Total amount of stated Capital (cannot be a negative amount) \$ _____

ONLY MULTI-STATE CORPORATIONS MUST COMPLETE SCHEDULES E, F, G, AND H

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year. \$ _____
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 20, Part II \$ _____

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

	Gross Amounts 1	Less: Related Expenses 2	Net Amounts Allocated Direct. to SC and Other States 3	Net Amounts Allocated Directly to SC 4	Payrolls to be Excluded from Payroll Factor 5	Property to be Excluded from Property Factor 6
1. Interest not connected with business						
2. Dividends received						
3. Rents						
4. Gains/losses on real property						
5. Gains/losses on intangible pers. prop.						
6. Investment income directly allocated						
7. TOTAL INCOME DIRECTLY ALLOCATED						
8. INCOME DIRECTLY ALLOCATED TO SC						
9. TOTALS TO APPORTIONMENT FACTORS						

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1. 1. _____
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 7 2. _____
3. Total net income subject to apportionment (line 1 less line 2) 3. _____
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I 4. _____
5. Add: Income subject to direct allocation to SC from Schedule F, line 8 5. _____
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1 6. _____

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)				
		1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)				
9. Rental or Lease Value				
10. TOTAL Property Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
11. GROSS Payroll				
12. Less: Officers Compensation and Exclusions		< >	< >	
13. TOTAL Payroll (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
15. TOTAL Sales (same as line 14)				%
16. TOTAL of Ratios (add Column 3 - lines 10,13, 14 and 15)				%
17. Arithmetical Average of Ratios				%

SCHEDULE H - 2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts			
2. Less: Exclusion (see instructions)	< >	< >	
3. Gross Receipts (for ratio)			
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			%

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3. 1. _____
2. Enter Ratio from Sch H-1, Line 17 2. _____ %
3. Multiply Line 2 by Line 1. 3. _____
4. Enter Ratio from Line 3 of single factor apportionment schedule. 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 5. _____
6. Line 3 minus Line 5 6. _____
7. For tax year 2010, multiply amount on Line 6 by 80% (.80). This is the amount of reduction in SC taxable income allowed this year 7. _____
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4. 8. _____

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If \$10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 1. _____
2. Enter the ratio from Sch H-1, Line 17. 2. _____ %
3. Multiply Line 1 by Line 2. If \$10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 3. _____
4. Enter the ratio from Line 3 of single factor apportionment schedule 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E, Line 2. 5. _____
6. Line 3 minus Line 5 6. _____
7. For tax year 2010, multiply the amount on Line 6 by 80% (.80). This is the amount of reduction of license fee basis allowed this year 7. _____
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2. 8. _____

SCHEDULE I

RESERVED

SCHEDULE J

**CORPORATIONS INCLUDED IN CONSOLIDATED RETURN
AFFILIATED CORPORATION NO. 1**

- 1. Name _____
- 2. Incorporated under the laws of the State of _____
- 3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
In the City of _____ Registered Agent at such address is _____
- 4. Location of principal office (street address) _____
Nature of principal business in S.C. _____

5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
------------------	-------	--------

6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:

NUMBER OF SHARES	CLASS	SERIES
------------------	-------	--------

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
(If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

8. Date Incorporated _____ Date commenced business in the State of South Carolina was _____

9. Date of this report _____ FEIN _____ SC File # _____

10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____

11. Was the name of the Corporation changed during the year? _____ Give old name _____

12. The Corporation's books are in the care of _____
Located at (street address) _____

13. Corporate Mailing Address _____

14. The total amount of stated capital per balance sheet is:
- A. Total paid in Capital Stock (cannot be a negative amount) \$ _____
 - B. Total paid in Capital Surplus (cannot be a negative amount) \$ _____
 - C. Total amount of stated Capital (cannot be a negative amount) \$ _____

For additional affiliated corporations duplicate Schedule J as needed.

ATTACH COMPLETED COPY OF FEDERAL RETURN.

**Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number.
Go to www.sctax.org and look for the DOR ePay logo for other payment options.**



STATE OF SOUTH CAROLINA 'S' CORPORATION INCOME TAX RETURN

SC 1120S

(Rev. 8/31/10)

3095

Return is due on or before the 15th day of the 3rd month following the close of the taxable year. If a refund or zero return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0033 If a balance due return, mail to: SC DOR, Corporation Return, Columbia SC 29214-0034

SC FILE #, INCOME TAX PERIOD ENDING, LICENSE FEE PERIOD ENDING, FEIN, NAME, MAILING ADDRESS, CITY, STATE, ZIP CODE, Attach complete copy of Federal Return, County or Counties in SC Where Property is Located, City, Audit Location, State, Audit Contact, Telephone Number, Check if Amended Return, Includes QSSS(s), Total Gross Receipts, Total cost of depreciable personal property in SC, If Filing a Final Return, see General Instructions, page 6. You MUST close your account with the SECRETARY OF STATE and complete I-349. Merged, Reorganized, Dissolved, Withdrawn

Does the Corporation have any Shareholders who are nonresidents of South Carolina? Yes No

PART I COMPUTATION OF INCOME TAX LIABILITY 1. Total of line 1 through 10, Schedule K of Federal Form 1120S 2. Net Adjustment from line 15, Schedule A and B 3. Total Net Income as Reconciled (line 1 plus or minus line 2) 4. If Multi-state Corporation, enter amount from line 6, Schedule G; otherwise, enter amount from line 3. 5. LESS: Income on line 4 taxed to shareholders of S Corporation 6. South Carolina Net Income subject to tax (line 4 less line 5) 7. TAX: Multiply amount on line 6 by .05 (5.0%) 8. Payments: (a) Tax Withheld (see instructions) (b) Paid by Declaration (c) Paid with Tentative Return (d) Credit from Line 23b Refundable Credits: (e) Ammonia Additive (f) Milk Credit 9. Total Payments and Refundable Credits:(add lines 8a through 8f) 10. Balance of Tax Due (line 7 less line 9) 11. Interest Due Penalty Due (See penalty and interest instructions.) Enter Total. 12. TOTAL INCOME TAX, Interest and Penalty Due (add lines 10 and 11) BALANCE DUE 13. OVERPAYMENT (line 9 less line 7) To be applied as follows: (a) Estimated Tax (b) License Fee (c) REFUNDED

PART II COMPUTATION OF LICENSE FEE 14. Total Capital And Paid in Surplus (Multi-State Corporations See Schedule E) 15. FEE DUE - Line 14 x .001, plus \$15.00 (Fee cannot be less than \$25.00) 16. LESS: Credits taken this year against license fee from SC1120TC, Part II, Column C (attach SC1120-TC) 17. Balance (line 15 less line 16) 18. Payments:(18a) Paid with Tentative Return (18b) Credit from line 13b 19. Total Payments (add line 18a and 18b) 20. Balance of Fee Due (line 17 less line 19) 21. Interest Due Penalty Due (See penalty and interest instructions.) Enter Total. 22. TOTAL LICENSE FEE, Interest and Penalty Due (add lines 20 and 21) BALANCE DUE 23. OVERPAYMENT (line 19 less line 17) To be applied as follows: (a) Estimated Tax (b) Income Tax (c) REFUNDED 24. GRAND TOTAL: INCOME TAX and LICENSE FEE DUE (add lines 12 and 22) EFT

Make check payable to: SC Department of Revenue. Include Business Name, FEIN and SC File Number. Go to www.sctax.org and look for the DOR ePay logo for other payment options.

For Office Use Only

SCHEDULE A AND B ADDITIONS TO FEDERAL TAXABLE INCOME

- 1. Taxes on or Measured By Income 1. _____
- 2. Excess net passive income subject to federal tax 2. _____
- 3. Taxable portion of certain built-in gains subject to federal tax _____ 3. _____
- 4. _____ 4. _____
- 5. _____ 5. _____
- 6. Other Additions (attach schedule) 6. _____
- 7. Total Additions (add lines 1 through 6) 7. _____

DEDUCTIONS FROM FEDERAL TAXABLE INCOME

- 8. _____ 8. _____
- 9. _____ 9. _____
- 10. _____ 10. _____
- 11. _____ 11. _____
- 12. _____ 12. _____
- 13. Other Deductions (attach schedule) 13. _____
- 14. Total Deductions (add lines 8 through 13) 14. _____
- 15. Net Adjustment (line 7 less line 14) Also enter on line 2, Part 1, SC1120S. 15. _____

SCHEDULE C RESERVED

Please Sign Here I, the undersigned, a principal officer of the corporation for which this return is made declare that this return, including accompanying Annual Report, statements and schedules, has been examined by me and is to the best of my knowledge and belief, a true and complete return.

	Date	Title	Telephone Number
Signature of officer			
I authorize the Director of the Department of Revenue or delegate to discuss this return, attachments and related tax matters with the preparer.		Yes <input type="checkbox"/> No <input type="checkbox"/>	Preparer's Printed Name
Preparer's signature		Date	Preparer's Telephone Number
Firm's name (or yours if self-employed) and address		PTIN or FEIN	
		ZIP Code	

If this is a corporation's final return, signing here authorizes the Department of Revenue to disclose that information with the Secretary of State. You must close with the Secretary of State as well as the Department of Revenue and complete I-349.

Taxpayer's Signature	Date
----------------------	------

SCHEDULE D ANNUAL REPORT TO BE COMPLETED BY ALL CORPORATIONS

- 1. Name _____
- 2. Incorporated under the laws of the State of _____
- 3. Location of the Registered Office of the Corporation in the State of South Carolina is _____
In the City of _____ Registered Agent at such address is _____
- 4. Location of principal office (street address) _____
Nature of principal business in SC _____
- 5. The total number of **authorized shares** of capital stock, itemized by class and series, if any, within each class is as follows:
NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____

- 6. The total number of **issued and outstanding shares** of capital stock itemized by class and series, if any, within each class is as follows:
NUMBER OF SHARES: _____ CLASS: _____ SERIES: _____

7. The names and business addresses of the directors (or individuals functioning as directors) and principal officers in the Corporation are:
(If additional space is necessary, attach separate schedule).

NAME	TITLE	BUSINESS ADDRESS
_____	_____	_____
_____	_____	_____
_____	_____	_____

- 8. Date Incorporated _____ Date commenced business in the State of South Carolina was _____
- 9. Date of this report _____ FEIN _____
- 10. If Foreign Corporation, the date qualified to do business in the State of South Carolina is _____
- 11. Was the name of the Corporation changed during the year? _____ Give old name _____
- 12. The Corporation's books are in the care of _____
Located at (street address) _____
- 13. The total amount of stated capital per balance sheet is:
 - A. Total paid in Capital Stock (cannot be a negative amount) \$ _____
 - B. Total paid in Capital Surplus (cannot be a negative amount) \$ _____
 - C. Total amount of stated Capital (cannot be a negative amount). \$ _____

ONLY MULTI-STATE CORPORATIONS MUST COMPLETE SCHEDULES E, F, G, AND H

SCHEDULE E COMPUTATION FOR LICENSE FEE - MULTI-STATE CORPORATIONS

1. Total Capital and Paid-in-Surplus at end of Year. \$ _____
2. SC PROPORTION: (line 1 X ratio from Schedule H-1, H-2 or H-3, as appropriate) OR enter amount from Schedule H-4, Part II. Also enter on line 14, Part II \$ _____

SCHEDULE F INCOME SUBJECT TO DIRECT ALLOCATION

(A) Allocated Income	(B) Gross Amounts	(C) Related Expenses	(D) Net Amounts (Column B minus Column C)	(E) Net Amounts Allocated Directly to SC
1. Total Allocated Income (Enter the total of Column D here)			_____	
2. Total Income Allocated to SC (Enter the total of Column E)				_____

Attach an explanation of each type of income listed above that is not allocated to South Carolina.

SCHEDULE G COMPUTATION OF TAXABLE INCOME FOR CORPORATIONS CLAIMING MULTI-STATE OPERATIONS

1. Total net income as reconciled. Enter amount from line 3, Page 1. 1. _____
2. Less: Income subject to direct allocation to SC and other states from Schedule F, line 1 2. _____
3. Total net income subject to apportionment (line 1 less line 2) 3. _____
4. Multiply amount on line 3 by appropriate ratio from Schedule H-1, H-2, or H-3 and enter result here OR enter amount from Schedule H-4, Part I 4. _____
5. Add: Income subject to direct allocation to SC from Schedule F, line 2 5. _____
6. Total SC Net Income (sum of lines 4 and 5 above) also enter on line 4, Part 1 of Page 1 6. _____

SCHEDULE H-1 COMPUTATION OF FOUR FACTOR APPORTIONMENT RATIO

	1. Property Within South Carolina		2. Total Property Everywhere	
	(a) Beginning Period	(b) Ending Period	(a) Beginning Period	(b) Ending Period
1. Land				
2. Buildings				
3. Machinery and Equipment				
4. Inventories				
5. Other Property				
6. Exclusions	< >	< >	< >	< >
7. TOTAL (add lines 1 - 5; subtract line 6)				
		1. Within SC	2. Total Everywhere	3. Ratio
8. Avg. of Beginning and Ending Period (add line 7a and b and divide by 2)				
9. Rental or Lease Value				
10. TOTAL Property Add lines 8 and 9. (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
11. GROSS Payroll				
12. Less: Officers Compensation and Exclusions		< >	< >	
13. TOTAL Payroll (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
14. TOTAL Sales (Col. 1 ÷ Col. 2 and enter ratio in Col. 3)				%
15. TOTAL Sales (same as line 14)				%
16. TOTAL of Ratios (add Column 3 - lines 10,13, 14 and 15)				%
17. Arithmetical Average of Ratios				%

SCHEDULE H - 2 COMPUTATION OF GROSS RECEIPTS RATIO

	1. In SC	2. Total Everywhere	3. Ratio
1. Total Gross Receipts			
2. Less: Exclusion (see instructions)	< >	< >	
3. Gross Receipts (for ratio)			
4. Ratio of Gross Receipts (line 3, Col. 1 ÷ line 3, Col. 2)			%

SCHEDULE H-3 COMPUTATION OF RATIO FOR PUBLIC SERVICE CORPORATIONS

	Amount	Ratio
1. Total Within South Carolina		
2. Total for System		
3. Ratio (South Carolina ÷ Total System)		%

SCHEDULE H-4 COMPUTATION OF SINGLE FACTOR APPORTIONMENT

SINGLE FACTOR APPORTIONMENT RATIO SCHEDULE

	Amount	Ratio
1. Total Sales Within South Carolina		
2. Total Sales Everywhere		
3. Ratio (South Carolina ÷ Everywhere)		

Note: If there are no sales anywhere, enter 100% on Line 3, if South Carolina is the principal place of business OR enter 0% on Line 3 if principal place of business is outside SC.

PART I COMPUTATION OF SC NET INCOME SUBJECT TO TAX FOR MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Enter amount from Sch G, Line 3. 1. _____
2. Enter Ratio from Sch H-1, Line 17 2. _____ %
3. Multiply Line 2 by Line 1. 3. _____
4. Enter Ratio from Line 3 of single factor apportionment schedule. 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3, Schedule H-4, Part I on Schedule G, Line 4 5. _____
6. Line 3 minus Line 5 6. _____
7. For tax year 2010, multiply amount on Line 6 by 80% (.80). This is the amount of reduction in SC taxable income allowed this year 7. _____
8. Line 3 minus Line 7. Enter this amount on Sch G, Line 4. 8. _____

PART II COMPUTATION OF LICENSE FEE - MULTI-STATE CORPORATION QUALIFYING FOR SINGLE FACTOR APPORTIONMENT

1. Total Capital and Paid-in-Surplus at the end of the year. If \$10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 1. _____
2. Enter the ratio from Sch H-1, Line 17. 2. _____ %
3. Multiply Line 1 by Line 2. If \$10,000 or less, **STOP HERE** and enter on Schedule E, Line 2 3. _____
4. Enter the ratio from Line 3 of single factor apportionment schedule. 4. _____ %
5. Multiply Line 1 by Line 4. If Line 3 is less than Line 5, **STOP HERE** and enter amount from Line 3 on Schedule E, Line 2. 5. _____
6. Line 3 minus Line 5. 6. _____
7. For tax year 2010, multiply the amount on Line 6 by 80% (.80). This is the amount of reduction of license fee basis allowed this year 7. _____
8. Line 3 minus Line 7. Enter here and on Schedule E, Line 2 8. _____

SCHEDULE SC-K WORKSHEET

* Enter amounts from corresponding lines on your federal Schedule K in Column B.

	(A) Description	(B) * Amounts From Federal Schedule K	(C) Plus or Minus South Carolina Adjustments	(D) Federal Schedule K Amounts After SC Adjustments	(E) Col. (D) Amounts Not Apportioned or Allocated to SC	(F) Col. (D) Amounts Apportioned or Allocated to SC
1	Ordinary business income (loss)					
2	Net rental real estate income (loss)					
3	Other net rental income (loss)					
4	Interest income					
5	Dividends					
6	Royalties					
7	Net short-term capital gain (loss)					
8	Net long-term capital gain (loss)					
9	Net section 1231 gain (loss)					
10	Other income (loss)					
11	Section 179 deduction					
12a	Contributions					
12b	Investment interest expense					
12c	Section 59(e)(2) expenditures					
12d	Other deductions					

Non-Refundable Tax Credits: Enter Total Credits from SC1120-TC _____
SC1120-TC must be attached to return.

If one or more Qualified Subchapter S Subsidiaries (QSSSs) are included, list South Carolina subsidiaries only.
 Attach schedule, if more space is needed.



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CORPORATE TAX CREDITS

NAME OF CORPORATION	FEIN	SC FILE #
---------------------	------	-----------

These credits are computed on separate forms. Be sure to attach the appropriate form(s) to this schedule for the credit you are claiming.

Part I Corporate Income Tax Credits

	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. New Jobs Credit (TC-4)	_____	_____	_____	_____	_____
2. Economic Impact Zone Property Investment Credit (TC-11)	_____	_____	_____	_____	_____
3. Family Independence Payments Credit (TC-12)	_____	_____	_____	_____	_____
4. Research Expenses Credit (TC-18)	_____	_____	_____	_____	_____

For lines 5-15, enter credit description and associated code from the following information, along with the dollar amount of credit claimed.

Credit Description	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
5. _____	5. _____	_____	_____	_____	_____	_____
6. _____	6. _____	_____	_____	_____	_____	_____
7. _____	7. _____	_____	_____	_____	_____	_____
8. _____	8. _____	_____	_____	_____	_____	_____
9. _____	9. _____	_____	_____	_____	_____	_____
10. _____	10. _____	_____	_____	_____	_____	_____
11. _____	11. _____	_____	_____	_____	_____	_____
12. _____	12. _____	_____	_____	_____	_____	_____
13. _____	13. _____	_____	_____	_____	_____	_____
14. _____	14. _____	_____	_____	_____	_____	_____
15. _____	15. _____	_____	_____	_____	_____	_____
16. Total of Lines 1-15		_____	_____	_____	_____	_____

****SEE SEPARATE LISTING FOR CREDITS WHICH MAY BE USED AS CREDITS AGAINST LICENSE FEES.**

Part II Corporate License Fee Credits

Credit Description	Code	Column A Previously Accrued	Column B Earned This Year	Column C Taken This Year	Column D Lost Due to Statute	Column E Carried Forward
1. _____	1. _____	_____	_____	_____	_____	_____
2. _____	2. _____	_____	_____	_____	_____	_____
3. _____	3. _____	_____	_____	_____	_____	_____
4. _____	4. _____	_____	_____	_____	_____	_____
5. _____	5. _____	_____	_____	_____	_____	_____
6. _____	6. _____	_____	_____	_____	_____	_____
7. Total Corporate License Fee Credits		_____	_____	_____	_____	_____
(See Instructions)						

DESCRIPTIONS CONTINUED ON THE FOLLOWING PAGES

Instructions for Part I Corporate Income Tax Credits

Line 16 - Total Columns A through E

The Total of **Column A, Previously Accrued** should be entered on Schedule C, Line 1 of the SC1120, SC1120U, SC990-T.

The Total of **Column B, Earned This Year** should be entered on Schedule C, Line 2 of the SC1120, SC1120U, SC990-T.

The Total of **Column C, Taken This Year** should be the amount shown on Schedule C, Line 5 of the SC1120, SC1120U, or SC990-T, as applicable. On the SC1120S this will be passed through to the shareholders and shown on their SC-K. Enter credits taken on SC 1101B and SC1104, as applicable.

The Total of **Column D, Lost due to Statute** should be the amount shown on Schedule C, Line 6 of the SC1120, SC1120U, or SC990-T, as applicable.

The Total of **Column E, Carried Forward** should be the amount shown on Schedule C, Line 7 of the SC1120, SC1120U, or SC990-T, as applicable. Do not include credits passed through to shareholders.

Instructions for Part II Corporate License Fee Credits

Line 7 - Total Columns A through E.

The Total of Column C, **Taken This Year** should be entered on Line 22 of the SC1120 or Line 16 of the SC1120S. The credits on this form cannot be used to offset license fees on the SC1120U or the CL-4 returns. For a credit against these license fees see Section 12-20-105 of the South Carolina Code of Laws.

DEFINITIONS:

PREVIOUSLY ACCRUED: Credits earned but not used in previous years and still available for use in current or future years.

LOST DUE TO STATUTE: Credits previously earned but lost due to expiration of the time period for claiming them during this tax year.

CARRIED FORWARD: Credits not used but still available for future use. Do not include credits passed through to shareholders.

CREDIT DESCRIPTIONS

PART I CODES

CODE TITLE: Description. (Form)

001 DRIP/TRICKLE IRRIGATION SYSTEMS CREDIT: For purchasing and installing conservation tillage equipment, drip/trickle irrigation system, or dual purpose combination truck and crane equipment. (TC-1)

002 CREDIT FOR STATE CONTRACTORS SUBCONTRACTING WITH SOCIALLY AND ECONOMICALLY DISADVANTAGED SMALL BUSINESS: For state contractors that subcontract with socially and economically disadvantaged small businesses. (TC-2)

003 WATER RESOURCES CREDIT: For investing in the construction of water storage and control structures for soil and water conservation, wildlife management, agriculture and aquaculture purpose. (TC-3)

004 NEW JOBS CREDIT: For qualifying employers that create and maintain 10 or more full-time jobs. (TC-4)

104 SMALL BUSINESS JOB CREDIT: For qualifying small businesses that create and maintain 2 or more full-time jobs. (TC-4SB)

204 SMALL BUSINESS ALTERNATIVE JOB CREDIT: For qualifying small businesses that create 2 or more full-time jobs. (TC-4SA)

005 SCENIC RIVERS CREDIT: For donating certain lands adjacent to designated rivers or sections of a river. (TC-5)

CODE TITLE: Description. (Form)

006 INFRASTRUCTURE CREDIT: For construction or improvements of water lines, sewer lines and road projects eventually dedicated to public use or qualifying private entity. (TC-6)

007 PALMETTO SEED CAPITAL CREDIT: For investing in the Palmetto Seed Capital Corporation. (TC-7)

008 CORPORATE HEADQUARTER CREDIT: For qualifying costs related to establishing a corporate headquarters in South Carolina or expanding or adding to an existing headquarters. (TC-8)

009 EMPLOYER CHILD CARE CREDIT: For employers that establish child care programs to benefit employees or donate to a non-profit corporation providing child care services to employees. (TC-9)

011 ECONOMIC IMPACT ZONE CREDIT: For placing qualifying property in service in an economic impact zone. (TC-11)

012 FAMILY INDEPENDENCE PAYMENTS CREDIT: For employers hiring qualifying recipients of Family Independence Payments. (TC-12)

112 ADDITIONAL FAMILY INDEPENDENCE PAYMENTS CREDIT: For employers hiring qualified Family Independence Payment recipients in a distressed or least developed county. (TC-12A)

014 COMMUNITY DEVELOPMENT CREDIT: For investing amounts not claimed as charitable deductions in qualifying community development corporations or financial institutions. (TC-14)

PART I CODES

CODE TITLE: Description. (Form)

- 017 RECYCLING PROPERTY TAX CREDIT PER SECTION 12-6-3460:** For taxpayers constructing or operating a qualified recycling facility when investing in recycling property. (TC-17)
- 018 RESEARCH EXPENSES CREDIT:** For taxpayers claiming a federal research expenses credit. (TC-18)
- 019 QUALIFIED CONSERVATION CONTRIBUTION CREDIT:** For donating a qualifying gift of land for conservation or a qualified conservation contribution of a real property interest. (TC-19)
- 020 CREDIT FOR EXPENSES INCURRED THROUGH BROWNFIELD VOLUNTARY CLEANUP PROGRAM:** For costs of voluntary cleanup activity by a nonresponsible party. (TC-20)
- 021 CERTIFIED HISTORIC STRUCTURE CREDIT:** For rehabilitation projects that qualify for the federal credit. (TC-21)
- 023 TEXTILES REHABILITATION CREDIT:** For rehabilitating an abandoned textile manufacturing facility. (TC-23)
- 024 COMMERCIALS CREDIT:** For production companies producing commercials in South Carolina. (TC-24)
- 025 MOTION PICTURES CREDITS AFTER JUNE 30, 2004:** For investing in motion picture projects or motion picture production or post-production facilities in South Carolina after June 30, 2004. (TC-25)
- 026 VENTURE CAPITAL INVESTMENT CREDIT:** For lending money to the SC Venture Capital Authority (TC-26)
- 028 SC QUALITY FORUM CREDIT:** For participating in quality programs of the SC Quality Forum. (TC-28)
- 030 PORT CARGO CREDIT:** For increasing usage by volume at state ports. (TC-30)
- 031 RETAIL FACILITIES REHABILITATION CREDIT:** For revitalizing abandoned retail facilities. (TC-31)
- 033 CREDIT FOR MERCURY SWITCH DISPOSAL:** For vehicle recycler or scrap recycling facility participating in End-of-Life Vehicle Solution (ELVS) Program for each mercury switch collected and admitted for disposal. (TC-33)
- 034 CORPORATE TAX MORATORIUM PER SECTION 12-6-3367:** For qualifying taxpayers that make a substantial investment and creates at least 100 new, full-time jobs, a 10 year, or in some cases, a 15 year moratorium on corporate income taxes. (TC-34)

PART II CODES

CODE TITLE: Description. (Form)

- 006 INFRASTRUCTURE CREDIT:** For construction or improvements of water lines, sewer lines and road projects eventually dedicated to public use or qualifying private entity. (TC-6)
- 008 CORPORATE HEADQUARTER CREDIT:** For qualifying costs relating to establishing a corporate headquarters in South Carolina or expanding or adding to an existing headquarters. (TC-8)
- 017 RECYCLING PROPERTY TAX CREDIT PER SECTION 12-6-3460:** For taxpayers constructing or operating a qualified recycling facility when investing in recycling property. (TC-17)
- 018 RESEARCH EXPENSES CREDIT:** For taxpayers claiming a federal research expenses credit. (TC-18)
- 021 CERTIFIED HISTORIC STRUCTURE CREDIT:** For rehabilitation projects that qualify for the federal credit. (TC-21)

CODE TITLE: Description. (Form)

- 035 ALTERNATIVE MOTOR VEHICLE CREDIT:** Taxpayers with federal credit allowed under Internal Revenue Code 30B, will receive SC Credit. (TC-35)
- 036 INDUSTRY PARTNERSHIP FUND CREDIT:** For contributing to the SC Research Authority's Industry Partnership Fund. (TC-36)
- 037 WHOLE EFFLUENT TOXICITY TESTING CREDIT:** For a manufacturing facility incurring costs in complying with whole effluent toxicity testing. (TC-37)
- 038 SOLAR ENERGY OR SMALL HYDROPOWER SYSTEM CREDIT:** For installing a solar energy or small hydropower system in a South Carolina facility. (TC-38)
- 040 ETHANOL OR BIODIESEL PRODUCTION CREDIT:** For producers of corn-based or non-corn-based ethanol or soy-based or non-soy-based biodiesel. (TC-40)
- 041 RENEWABLE FUEL FACILITY CREDIT:** For constructing a renewable fuel production or distribution facility in South Carolina. (TC-41)
- 045 APPRENTICESHIP CREDIT:** For employing an apprentice. (TC-45)
- 047 HYDROGEN INFRASTRUCTURE DEVELOPMENT FUND TAX CREDIT:** For contributions to the South Carolina Hydrogen Infrastructure Development Fund. (TC-47)
- 048 PLUG-IN HYBRID VEHICLE CREDIT:** For in-State purchase or lease of a plug-in hybrid vehicle. (TC-48)
- 049 CELLULOSIC ETHANOL OR ALGAE-DERIVED BIODIESEL RESEARCH AND DEVELOPMENT CREDIT:** For qualified expenditures for research into and development of feedstocks and processes for cellulosic ethanol and for algae-derived biodiesel. (TC-49)
- 050 BIOMASS RESOURCE CREDIT:** For costs incurred by corporation for purchases and installation of equipment used to create power, etc. for commercial use. (TC-50)
- 051 VENISON FOR CHARITY CREDIT:** For processing deer meat for charity. (TC-51)
- 052 FIRE SPRINKLER SYSTEM CREDIT:** 25% of costs of voluntarily installing a fire sprinkler system in a structure. (TC-52)
- 053 ENERGY EFFICIENT MANUFACTURED HOME CREDIT:** \$750 credit for new purchase of an Energy Star manufactured home. (TC-53)
- 054 CREDIT FOR MANUFACTURING RENEWABLE ENERGY SYSTEMS:** For investing in production of renewable energy systems and components. (TC-54)

CODE TITLE: Description. (Form)

- 023 TEXTILES REHABILITATION CREDIT:** For rehabilitating an abandoned textile manufacturing facility. (TC-23)
- 026 VENTURE CAPITAL INVESTMENT CREDIT:** For lending money to the SC Venture Capital Authority. (TC-26)
- 033 CREDIT FOR MERCURY SWITCH DISPOSAL:** For vehicle recycler or scrap recycling facility participating in End-of-Life Vehicle Solutions (ELVS) program for each mercury switch collected and submitted for disposal. (TC-33)
- 036 INDUSTRY PARTNERSHIP FUND CREDIT:** For contributing to the SC Research Authority's Industry Partnership Fund. (TC-36)
- 047 HYDROGEN INFRASTRUCTURE DEVELOPMENT FUND TAX CREDIT:** For contributions to the South Carolina Hydrogen Infrastructure Development Fund. (TC-47)



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
POWER OF ATTORNEY AND
DECLARATION OF REPRESENTATIVE

Part I Power of Attorney

1 Taxpayer Information (Note: Taxpayer(s) must sign and date this form on page 2, line 8.)

* Taxpayer name(s) and address (Type or print.)
* Social Security number(s)
* Employer identification number
Plan number (if applicable)
* Daytime telephone number
Email Address

hereby appoint(s) the following representative(s) as attorney(s) - in fact:

2 Representative(s) (Type or print.)

* Name and address of specific individual
* Telephone No. ()
Fax No. ()
Check if new: Address [] Telephone No. []
Name and address of specific individual
Telephone No. ()
Fax No. ()
Check if new: Address [] Telephone No. []
Name and address of specific individual
Telephone No. ()
Fax No. ()
Check if new: Address [] Telephone No. []

to represent the taxpayer(s) before the SC Department of Revenue for the following tax matters:

3 Tax Matters - A general reference to "All years," "All periods," or "All taxes" is not acceptable.

Table with 3 columns: * Type of Tax (Individual, Corporate, Withholding, Sales, etc.), * Tax Form Number (SC1040, WH1605, ST-3, etc.), * Year(s) or Period(s) (See Line 3 instructions)

4 Acts Authorized - A representative is an individual authorized to receive and inspect confidential tax information and to perform any and all acts on behalf of the taxpayer with respect to the tax matters described in line 3, including the authority to sign any agreements, consents or other documents. You may not use a Power of Attorney form to authorize a representative to receive refund checks. You may use a Power of Attorney form to authorize a representative to sign a return ONLY IF the same authority is granted pursuant to a licensed attorney/client relationship. The authorization to sign a return must be specifically listed below.

List any specific additions to or deletions from the acts otherwise authorized in this power of attorney: _____

5 Receipt of Refund Checks - If you want to authorize a representative named in line 2 to receive, BUT NOT TO ENDORSE OR CASH refund checks, initial here _____ and list the name of that representative below.

Name of representative to receive refund check(s) ▶ _____

6 Retention/Revocation of Prior Power(s) of Attorney - The filing of this power of attorney automatically revokes all earlier power(s) of attorney on file with the South Carolina Department of Revenue for the **same** tax matters for years or periods covered by this document .

If you do not want to revoke a prior power of attorney, check here

YOU MUST ATTACH A COPY OF ANY POWER OF ATTORNEY YOU WANT TO REMAIN IN EFFECT.

7 Signature of Taxpayer(s) - If a tax matter concerns a joint return, **both** husband and wife must sign if joint representation is requested; otherwise, see the instructions for SC2848 concerning signature of taxpayer(s). If signed by a corporate officer, partner, guardian, tax matters partner/person, LLC members, executor, receiver, personal representative, or trustee on behalf of the taxpayer, I certify that I have the authority to execute this form on behalf of the taxpayer.

▶ **The Department will not accept a Power of Attorney that is not signed.**

*	*	
Signature	Date	Title (if applicable)
*		
Print Name		
Signature	Date	Title (if applicable)
Print Name		

NOTICES AND COMMUNICATIONS

All Notices and Communications will be sent to the taxpayer only. However, if you are unable to forward a copy to your named representative, you may contact our office for assistance.

Part II Declaration of Representative

I declare that:

- I am authorized to represent the taxpayer(s) identified in Part I for the tax matter(s) specified; and
- I am one of the following:
 - a Attorney - a member in good standing of the bar of the highest court of the jurisdiction shown below.
 - b Certified Public Accountant - duly qualified to practice as a certified public accountant in the jurisdiction shown below.
 - c Enrolled Agent - enrolled as an agent under the Requirements of the US Treasury Department Circular No. 230.
 - d Officer - a bona fide officer of the taxpayer organization.
 - e Full-Time Employee - a full-time employee of the taxpayer.
 - f Family Member - a member of the taxpayer's immediate family (i.e., spouse, parent, child, brother, or sister).
 - g Return Preparer.
 - h Other, please explain. _____

▶ **The Department will not accept a Declaration of Representative that is not signed.**

I declare that this return and all attachments are true, correct and complete to the best of my knowledge and belief. To willfully furnish a false or fraudulent statement to the Department is a crime.

* Designation - Insert above letter (a-h)	* Jurisdiction (state)	* Signature	* Date

* indicates required field.



CONTACT INFORMATION



SC Secretary of State's Office	www.scsos.com (803) 734-2170
SC Business One Stop	www.scbos.sc.gov (803) 898-5690 scboshelp@scbos.sc.gov
Fed/State Corporate EFile	(803) 896-1715
Corporate Tax General Information	(803) 896-1730 CorpTax@sctax.org
Fax On Demand	
Columbia, SC	(803) 898-5320
Toll-free	(800) 768-3676

TAXPAYER SERVICE CENTERS

Charleston

1 Southpark Circle, Ste. 100
Charleston, SC 29407
Telephone: (843) 852-3600
Fax: (843) 556-1780

Columbia

301 Gervais Street
Columbia, SC 29214
Telephone: (803) 898-5000
Fax: (803) 898-5822

Florence

1452 West Evans Street
Florence, SC 29502
Telephone: (843) 661-4850
Fax: (843) 662-4876

Greenville

545 North Pleasantburg Drive
Greenville, SC 29607
Telephone: (864) 241-1200
Fax: (864) 232-5008

Myrtle Beach

1330 Howard Parkway
Myrtle Beach, SC 29577
Telephone: (843) 839-2960
Fax: (843) 839-2964

Rock Hill

454 South Anderson Road, Ste.
202
Business and Technology Center
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