Enterprise Incentives

- Two incentives – both quarterly refunds of state payroll tax withholding
  - Retraining Credit
  - Job Development Credit
- Companies can receive both incentives, but not on same employee

Retraining Credit

- Only available for production or technology intensive jobs
- No “project” or job creation requirement
- Requires approval of both the local Technical College and CCED
- Benefit begins immediately and lasts 5 years
- Reimburses up to 50% re-training costs
- $500 per employee, $2,000 per employee over 5 years

Job Development Credit

The Job Development Credit is a valuable “hard dollar” tax credit.

It is a withholding - - not income - - tax credit.

South Carolina was one of the first states to adopt it.

Job Development Credit

- State employee withholding taxes used to reimburse company for eligible project costs
- Amount dependent upon number of jobs, wage levels and development level of county; approval required
- 5 years to reach job creation/investment goals
- Payable quarterly over 10 years commencing with initial draw
Job Development Credit

Qualifying for a Job Development Credit
To qualify for the job development credit a business must meet the following criteria:
1. The business must be primarily the type of business that qualifies for the job tax credit. (DISCUSSED BELOW)
2. The business must provide a benefits package that includes health care to full time employees at the project site where the investment is made.

Job Development Credit

Qualifying for a Job Development Credit Cont’d
3. The business must enter into a revitalization agreement with the Council – DISCRETIONARY.*
4. The Council must determine that the negotiated incentives are appropriate for the project, and the Council must determine that the total benefits of the proposed project exceed the total costs to the public, and that the qualifying business otherwise fulfills the requirements of the Act.

Job Development Credit

Qualifying for a Job Development Credit Cont’d
5. The business must agree to create at least 10 net, new full-time jobs.

Although, a business is required by law to create at least 10 net new full-time jobs, the Council almost always requires a business to create significantly more than 10 jobs in order to qualify a business for job development credits.

“Annual” Small Business Job Tax Credit

Qualifying Type Business
Manufacturing, tourism, processing, warehousing, distribution, research & development, corporate office, technology intensive, banking, qualifying service related facility, agribusiness operations, qualifying health care related facilities and, in a Tier IV County, service industries.

Job Development Credit

Application, Agreement and Certification

In order to receive the job development credit, a business must complete an application, a revitalization agreement, and a certification process.
## Job Development Credit

### Application Process

An application to receive the job development credit and a $4,000 application fee must be submitted to the Council prior to official announcement by a business of its South Carolina location or expansion. ("But for" test.)

## County Rankings

### Tier IV

- Allendale, Bamberg, Bamwell, Chesterfield, Clarendon, Dillon, Lancaster, Lee, Marion, Marlboro, McCormick, Union and Williamsburg.

## County Rankings

### Tier III

- Abbeville, Cherokee, Chester, Colleton, Darlington, Fairfield, Hampton, Horry, Jasper, Laurens, Orangeburg and Sumter.
County Rankings

Tier II

Anderson, Calhoun, Edgefield, Florence, Georgetown, Greenwood, Kershaw, Newberry, Oconee, Pickens, Spartanburg and York.

Tier I

Aiken, Beaufort, Berkeley, Charleston, Dorchester, Greenville, Lexington, Richland and Saluda.

Job Development Credit

Credit Amounts

- A business located or to be located in a Tier IV county at the time the application is received by the Council may claim 100% of the maximum allowable job development credit.
- A business located or to be located in a Tier III county at the time the application is received by the Council may claim 85% of the maximum allowable job development credit.
- A business located or to be located in a Tier II county at the time the application is received by the Council may claim 70% of the maximum allowable job development credit.
- A business located or to be located in a Tier I county at the time the application is received by the Council may claim 55% of the maximum allowable job development credit.

Credit Amounts

- The maximum allowable job development credit that may be claimed is calculated as a percentage of the gross wages of each new employee.
- Typically, $3200 cap per employee applies.

Job Development Credit

Credit Amounts

- The hourly gross wage figures are adjusted annually by an inflation factor. The gross wage amounts for 2014 and the percentages to claim are:

<table>
<thead>
<tr>
<th>Gross Wages Per Hour of New Employee for 2014</th>
<th>Percentage to Claim</th>
</tr>
</thead>
<tbody>
<tr>
<td>$9.48 to $12.62</td>
<td>2%</td>
</tr>
<tr>
<td>$12.63 to $15.78</td>
<td>3%</td>
</tr>
<tr>
<td>$15.79 to $23.67</td>
<td>4%</td>
</tr>
<tr>
<td>$23.68 and over</td>
<td>5%</td>
</tr>
</tbody>
</table>
### Job Development Credit

<table>
<thead>
<tr>
<th>Use of Job Development Credit Cont’d</th>
</tr>
</thead>
<tbody>
<tr>
<td>c) Improvements to public and private utility systems, including water, sewer, electricity, natural gas, and telecommunications;</td>
</tr>
<tr>
<td>d) Fixed transportation facilities, including highway, rail, water and air; and</td>
</tr>
<tr>
<td>e) Construction or improvements of real property and fixtures for the purpose of complying with environmental laws and regulations.</td>
</tr>
</tbody>
</table>

April Lucas

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**NEXT CHALLENGE. NEXT LEVEL.**

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