

**SOUTH CAROLINA COORDINATING COUNCIL
FOR ECONOMIC DEVELOPMENT**
1201 Main Street, Suite 1600
Columbia, SC 29201 Phone: (803) 734-0221 Fax: (803) 734-0385

**APPLICATION FOR
PORT VOLUME INCREASE TAX CREDIT**

FOR COUNCIL USE ONLY

County: _____
Date Received: _____
Approved: _____
Denied: _____
Amount Approved _____

Name of Applicant (Legal Name of Company)	
Principal Business Address of Applicant (Mailing Address)	Physical Location, including county , of South Carolina Site for Project
City, State, and Zip Code	City, State, and Zip Code
Telephone Number () Fax Number ()	Telephone Number () Fax Number ()
Contact Person	Contact Person
Contact's Title	Contact's Title
Contact's Email Address	Contact's Email Address

Please check the box next to the credit for which the applicant is applying: (please check only one box)

- Credit against income taxes
 Credit against employee withholding taxes

A. TYPE OF BUSINESS (Check only one box.)

- Sole Proprietor (SSN) _____ Partnership/LLC C Corporation
 S Corporation Other (Specify): _____

1. If Business is a Corporation, please list the state of incorporation: _____
2. Federal Employer ID Number: _____ 3. South Carolina Withholding Number: _____

B. COMPANY/PROJECT INFORMATION

1. Nature of Business: _____
(Company must be involved in manufacturing, warehousing freight forwarding, freight handling, goods processing, cross docking, transloading, wholesaling of goods or distribution to be eligible for this program.)
2. NAICS Code: _____

C. INCENTIVES

1. Please indicate incentives you are applying for, plan to apply for, or are taking advantage of currently.

- Yes No Job Development Credits (JDC)
Yes No Jobs Tax Credit
Yes No Investment Tax Credit
Yes No Other credits

1. If applying for income tax credits:

- a. Please indicate the amount of income tax the company paid during the last taxable year or the amount of income passed through to owners of the company during last taxable year. _____

- b. Please indicate the amount of income tax credits utilized by the company or passed through to owners in the last taxable year.
- c. Please indicate the amount of income tax credits carried forward from your last taxable year. _____
- d. Please indicate the amount of income tax credits you anticipate will be carried forward from this taxable year. _____

2. If applying for withholding tax credits:

- a. Please indicate the number of current employees in South Carolina. _____
- b. Please indicate the amount of port volume withholding tax credits utilized in your last taxable year. _____
- c. Please indicate the amount of port volume withholding tax credits carried forward from your last taxable year. _____
- d. Please indicate the amount of port volume withholding tax credits you anticipate will be carried forward from this taxable year. _____
- e. Please indicate the amount of all other withholding tax credits (including job development credits) utilized in your last taxable year. _____

D. PORT ACTIVITY

- 1. How many twenty-foot equivalent units (TEUs) or net tons of non-containerized cargo or cubic meters of cargo did your company ship through a South Carolina Port facility during the most recent full calendar year?

- 2. How many twenty-foot equivalent units (TEUs) or net tons of non-containerized cargo or cubic meters of cargo did your company ship through a South Carolina Port facility during the calendar year immediately preceding the most recent full calendar year?

- 3. Was this increase in port traffic related to an increase in employment or investment? If so, please quantify.

- 4. Did your company or an affiliate of your company own the cargo at the time it was shipped through a South Carolina Port facility? If it was an affiliate who owned the cargo, provide explain the relationship between your company and the cargo owner.

- 5. If a non-related third party owned the cargo when it was shipped through a South Carolina Port facility, please list the owner(s) of all cargo included in questions D.1 and 2 above. **PLEASE NOTE: ONLY ONE COMPANY CAN APPLY FOR THE CREDIT. TWO COMPANIES CANNOT APPLY FOR THE CREDIT BASED ON THE SAME CARGO.**

- 6. Please provide a list of any companies involved in the chain of possession of the cargo included in questions D.1 and 2 above when it was shipped through a South Carolina Port facility.

- 7. Do any of the companies listed in questions D.5 and 6 above have a facility in South Carolina? If so, please list.

E IF ADDITIONAL CAPITAL INVESTMENT IS PLANNED, PLEASE PROVIDE A SUMMARY OF PROJECT COSTS (ESTIMATED)

	Date project costs will be contracted for or incurred *MUST COMPLETE	Cost
1. Land Cost.....	_____	\$ _____
2. Building Cost (new construction).....	_____	\$ _____
3. Purchase of Existing Facility	_____	\$ _____
4. * Lease of Facility (please state the <u>value</u> of the property to be leased)	_____	\$ _____
5. Renovations or Improvements to Existing Facility..... (Attach description of cost and breakdown)	_____	\$ _____
6. Machinery & Equipment Cost	_____	\$ _____
7. Pollution Control Equipment	_____	\$ _____

8. Other (please identify separately)..... _____ \$ _____
TOTAL PROJECT COSTS _____ \$ _____

G. INDIRECT ECONOMIC IMPACT

1. For incorporated firms: Estimate total annual South Carolina taxes (expansions should estimate increased taxes due to expansion, including franchise and corporate income). \$ _____
 2. For non-incorporated firms: Estimate South Carolina taxes due from new/expanded business operations, including income and sales and use (do not include taxes on exempted categories). \$ _____
 3. Please provide an estimate of purchases made from South Carolina Companies including raw materials used in processes and or other purchases needed to operate the business. \$ _____
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H. How were you made aware of this credit?

- Tax Attorney _____
 - Economic Development officials _____
 - Flyer _____
 - Tax forms _____
 - Lobbyists _____
 - Other _____
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NOTICE TO APPLICANT

Applicant authorizes the Coordinating Council for Economic Development to release to the SC Department of Revenue any information relevant to the request for the International Trade Incentive Program and further authorizes the SC Department of Revenue to release to the Council information about the request needed to assist the Council in its decision making process. This includes any information that may be described in Section 12-54-240 of the SC Code of Law.

This application submitted by: _____
 (Name & Title)

 (SIGNATURE)

 (DATE)

INTERNATIONAL TRADE INCENTIVE PROGRAM

Tax Credit for Port Volume Increase

Frequently Asked Questions

What is the International Trade Incentive Program?

ITIP is a possible tax credit for companies that increase their shipping through South Carolina's ports. The program is geared toward drawing manufacturing facilities, distribution centers and other international shippers to our state, while also rewarding existing companies for expanding their port business in the state.

What incentives are being offered?

Eligible companies may claim an income tax credit or a credit against employee withholding as decided by the Coordinating Council for Economic Development (the "Council"). The maximum amount of tax credits allowed to all qualifying taxpayers may not exceed \$8 million for each calendar year. Any excess credit earned may be carried forward and claimed in the next five taxable years or 20 quarters if granted a withholding tax credit.

Who is eligible for tax incentives under the new program?

- Taxpayers that are engaged in manufacturing, warehousing, freight forwarding, freight handling, goods processing, cross docking, transloading, wholesaling of goods, or distribution, exported or imported through port facilities in the state and that increase port cargo volume by at least 5% in a single calendar year are eligible. Base year port cargo must be at least 75 net tons of non-containerized cargo, 385 cubic meters, or 10 loaded twenty-foot containers (TEUs).
- A new warehouse or distribution facility that commits to expending at least \$40 million at a single site and creating 100 new full-time jobs and whose base year cargo shall not be less than 5,000 TEUs or its non-containerized equivalent may be awarded up to \$1 million of the \$8 million credits.
- Taxpayer engaged in the movement of goods imported or exported through South Carolina port facilities if (1) the taxpayer supports a presence in the state at the time of approval of the port volume credit; (2) the taxpayer employs at least 250 FTE South Carolinians; (3) the taxpayer completes the construction of a distribution facility within 5 years of the approval date; and (4) the base year cargo shall not be less than 5,000 TEUs or its non-containerized equivalent.

What are the evaluation criteria?

The Council will determine whether a company is eligible for a credit. The application must be accompanied by a letter of recommendation from the South Carolina State Ports Authority. The Council has sole discretion in allocating credits, taking into consideration a number of factors, such as the amount of base year port cargo volume, the total and percentage increase in port cargo volume, the number of qualifying taxpayers and the type of cargo transported. If more than one company is involved in the shipping process, the Council can require any additional information necessary to determine that only one company is seeking the credit for the listed cargo.

How do I determine if my company is eligible?

For the general port volume increase credit, the company must have at least a 5% increase in port cargo volume from its base year, which is the initial January 1 through December 31 calendar year in which it meets the requirements. . Base year port cargo must be at least 75 net tons of non-containerized cargo, 385 cubic meters, or 10 loaded twenty-foot containers (TEUs). Base year port cargo volume must be recalculated each calendar year after the initial base year.

In order for a warehouse or distribution center to qualify for the credit, the company must commit to invest at least \$40 million and create 100 new jobs at a single site and have a base year cargo of at least 5,000 TEUs or its non-containerized equivalent. The credit may be awarded the calendar year when the project has been announced, provided that the credit may not be claimed until the Council receives satisfactory proof that the capital investment and job creation requirements have, or will be, satisfied, and such proof must be received no later than 3 years after the date the credit is awarded.

In order for a taxpayer supporting a presence in the state to qualify for the credit, the company must employ at least 250 South Carolinians, have a base year cargo of at least 5,000 TEUs or its non-containerized equivalent, and commit to construct a distribution facility and have it operational within 5 years. The credit may be awarded for the calendar year when the project has been announced, provided that the credit may not be claimed until the Council receives satisfactory proof that the capital investment and job creation requirements have, or will be, satisfied, and such proof must be received no later than 3 years after the date the credit is awarded.

How do I apply?

The company must submit an application to the Council in the year after the year in which the increase in port volume occurs, or, in the case of a qualifying warehouse or distribution facility as described above, in the year in which the new facility is announced. The Council may make allocations of the credit on a monthly, quarterly or annual basis. *The International Trade Incentive Program Tax Credit for Increased Port Volume Application* may be submitted to the Council at any time during the year and is available at <http://scommerce.com/data-resources/publications>. The application must be accompanied by a letter of recommendation from the South Carolina State Ports Authority.

What should I be doing now?

Keep thorough records of your company's shipments, jobs created and new investments in facilities, plant and equipment.

How do I get more specifics?

If you have other questions, please contact the Coordinating Council for Economic Development at 803-737-0095.
