



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

CREDIT FOR CHILD CARE PROGRAM

Attach this form to your return.

SC SCH. TC-9

(Rev. 10/2/06)
3291

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Name	SS or FED. EI Number
Address	

PART I EXPENSES FOR ESTABLISHING A CHILD CARE PROGRAM

A. When you operate the program (Expenses include mortgage or lease payments.)

1. Playground and classroom equipment 1. _____
2. Kitchen appliances and cooking equipment 2. _____
3. Real property and improvements 3. _____
4. Donations to a nonprofit corporation in South Carolina that provides child care services to your employees. Provide donee information below.* 4. _____
5. First Year organization and administration expenses (From section B, Line 1) 5. _____
6. Other 6. _____
7. Total for year 7. _____
8. Prior year(s) expenses, if any 8. _____
9. Total expenses (Add amounts on lines 7 and 8.) 9. _____
10. For Limitation Calculation 10. \$200,000
11. Subtract the amount on line 8 from \$200,000. 11. _____
12. Enter lesser of the amounts on lines 7, 10 or 11. 12. _____
13. Multiply the amount on line 12 by .50 (50%). Enter here and in Part III. 13. _____

B. When you make direct payments to licensed child facilities which you do not operate.

1. First Year organization and administration expenses 1. _____

* Name of donee nonprofit corporation: _____
 Federal Employer ID Number of donee: _____
 Address: _____

PART II ANNUAL EXPENSES OF OPERATING A CHILD CARE PROGRAM.

A. When you operate the program

- 1. Salaries and wages 1. _____
- 2. Supplies 2. _____
- 3. Utilities 3. _____
- 4. Other 4. _____
- 5. Total for year 5. _____
- 6. Multiply the amount on line 5 by .50 (50%). 6. _____
- 7. Number of employees benefiting from the program 7. _____
- 8. Multiply the number on line 7 by \$3,000.00. 8. _____
- 9. Enter the lesser of the amounts on lines 6 or 8. Enter here and in Part III. 9. _____

B. When you make direct payment to licensed child care facilities which you do not operate.

- 1. Direct payments to licensed or registered independent child care facilities 1. _____
- 2. Actual administrative expenses limited to 2% (two percent) of direct payments on line 1 2. _____
- 3. Total for year 3. _____
- 4. Multiply the amount on line 3 by .50 (50%). 4. _____
- 5. Number of employees benefiting from the program 5. _____
- 6. Multiply the number on line 5 by \$3,000.00 6. _____
- 7. Enter the lesser of the amounts on lines 4 or 6. Enter here and in Part III. 7. _____

PART III SUMMARY

- 1. Enter the amount from Part I A, line 13. 1. _____
- 2. Enter the amount from Part II A, line 9. 2. _____
- 3. Enter the amount from Part II B, line 7. 3. _____
- 4. Unused child care program credit carryover 4. _____
- 5. Total - Add amounts on lines 1 through 4. 5. _____
- 6. Enter 50% of state income tax, bank tax or insurance premium tax. 6. _____
- 7. Allowable credit - Enter the lesser of the amounts from lines 5 or 6 here and on the appropriate tax credit schedule. 7. _____

Credit for Child Care Program SC SCH. TC-9 General Information

Part I

A taxpayer that employs residents of South Carolina that establishes a child care program for his employees may claim as a credit against income tax, bank tax, or insurance premium tax an amount equal to 50% of his capital expenditures in this state for establishing a child care program not to exceed \$100,000. The credit may not exceed 50% of the tax liability, but may be carried forward for 10 years. Allowable expenditures include mortgage or lease payments, playground and classroom equipment, kitchen appliances, cooking equipment and real property, including improvements in this state. **Allowable expenditures include donations made by a taxpayer to an Internal Revenue Code Section 501(c)(3) nonprofit corporation in South Carolina that provides child care services to the taxpayer's employees. The taxpayer must specify to the nonprofit corporation that the donation is for its child care program. If credit is taken for donations by a corporation, a deduction to arrive at the net income of the corporation is not allowed.**

Part II

A taxpayer that employs residents of South Carolina is also allowed a credit for payments made by the taxpayer to operate a child care program for his employees in this state or child care payments made directly to independent child care facilities for the benefit of employees in this state. The credit may be taken against the taxpayer's income tax, bank tax, or insurance premium tax in an amount equal to 50% of the payments made, not to exceed \$3,000 per employee who benefits from the program. When an employer chooses to make direct payments to a child care facility not operated by the employer, the costs incurred in the first year for administration of a direct payment program also may be included in the establishment costs of Part I, Section A. After the start-up year, administrative costs for payments to a direct payment program may be claimed as a credit not to exceed 2% of the costs. The total credit may not exceed 50% of the tax liability.

The Child Care Program and operation of the program must meet the licensing, registration, or certification standards prescribed by law.

For purposes of the credit allowed for payments made directly to an independent child care facility, the taxpayer is required to retain information concerning the child care facility's federal identification number, license or registration number, payment amount, and in whose name and for whose benefit the payments were made.

INSTRUCTIONS FOR SC SCH. TC-9

Part I. Include in Part I only those expenses incurred for establishing a child care program.

- A. Complete section A of Part I when you will operate the child care program.
- B. Complete section B of Part I when you make direct payments to licensed child care facilities which are operated by others.

Part II. Include in Part II only those expenses incurred for operating a child care program.

- A. Complete section A of Part II when you will operate the child care program.
- B. Complete section B of Part II when you make direct payments to licensed child care facilities which are operated by others.

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form if you are an individual taking this credit. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.