

SC1120-T INSTRUCTIONS

- Place an 'X' in the "First-time Filer" box if this will be your first corporate tax return and you have not filed a CL-1 Initial Annual Report of Corporations. Section 12-20-40(B) requires a corporation that has not filed an application for a Certificate of Authority from the Secretary of State's Office to file a CL-1 Initial Annual Report and pay the \$25 initial annual license fee to the Department of Revenue within 60 days after initially doing business or using a portion of its capital in this State.
- Place an 'X' in the "S Corporation" box if the entity is taxed as a corporation under Subchapter S of the Internal Revenue Code. NOTE: A "qualified Subchapter S subsidiary" (also called a "QSSS" or a "Q-sub") is not regarded as an entity separate from its parent S corporation. The parent S corporation is the entity responsible for filing a corporate return.
- Place an 'X' in the "Consolidated Return" box for two or more corporations filing a South Carolina consolidated corporate tax return under Section 12-6-5020. File a single SC1120-T for the entire group. Income taxes and license fees are computed separately for each corporation. Each license fee cannot be less than \$25.
- Place an 'X' in the "Bank or Savings & Loan" box if the entity is taxed for South Carolina purposes as a bank under Section 12-11-20 or as a savings and loan under Section 12-13-30.
- Place an 'X' in the "Utility or Electric Cooperative" if the entity is subject to the corporate license fee under Section 12-20-100 or files an SC1120U or CL-4.
- Place an 'X' in the "Exempt Organization" if the entity has computed under IRC Section 501(b), unrelated business income and is subject to income tax imposed under SC Section 12-6-540.

Line 1. Enter the estimated amount of income tax due minus (a) withholding credited to the taxpayer, (b) estimated income tax payments (including last year's overpayment transferred), and (c) income tax credits. Do not enter an amount less than \$0. Enter \$0 if filing CL-4.

South Carolina imposes a tax rate of 5% on the South Carolina taxable income of corporations, S corporations, and nonprofit entities that have income subject to tax under federal law. If the amount paid by the original due date is less than 90% of the tax due with the tax return, the underpayment is subject to a penalty of 0.5% per month.

Line 2. Enter the license fee due minus credits against license fees. Do not enter an amount less than \$0. Enter \$0 if filing SC990T, SC1101B or SC1104.

Most corporations owe an annual license fee under SC Code § 12-20-50 of \$15 plus \$1 for each \$1,000, or fraction of \$1,000, of capital common and preferred stock and paid-in or capital surplus of the corporation, as shown by the corporation's records on the first day of the tax year in which the report is filed. When a corporation does business partly within and partly without South Carolina or uses its capital partly within and partly without South Carolina, the license fee is apportioned using the same apportionment ratio used for income tax purposes. The minimum license fee is \$25.

A waterworks company, power company, electric cooperative, light company, gas company, telephone company, telegraph company, express company, street railway company, or navigation company owes a license fee under SC Code § 12-20-100 equal to:

- \$1 for each \$1,000 (or fraction of \$1,000) of fair market value of property owned and used within South Carolina in the conduct of business, as determined by the Department for property tax purposes for the preceding taxable year; plus
- \$3 for each \$1,000 (or fraction of \$1,000) of gross receipts derived from services rendered from regulated business within South Carolina during the preceding taxable year. This component does not apply to electric cooperatives other than distribution electric cooperatives.

Only entities taxed as corporations under Subchapter C or S of the Internal Revenue Code are liable for corporate license fees. Corporations listed in SC Code § 12-20-110 are also exempt.

Line 3. Add lines 1 and 2 and remit this amount.

Additional information

Corporations who apply for an extension must place an 'X' in the box on the corporate tax return indicating that the corporation has filed for a federal or state extension.

Report the amount paid on line 1 on SC1120, line 14(c); SC1120S, line 8(c); SC1120U, line 10(c); SC990T, line 10(c); SC1101B, line 8(c); or SC1104, line 10(c).

Report the amount paid on line 2 on SC1120, line 24(a); SC1120S, line 18(a); SC1120U, line 19(a); or CL-4, line 8(b).