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STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**TAX ON LUMP-SUM DISTRIBUTIONS**  
From Qualified Retirement Plans  
Attach to your SC1040 or SC1041

**SC4972**(Rev. 3/18/21)  
3107**2021**

Name

SSN or FEIN

**Part I Complete this part to choose capital gain election (see federal instructions)**

1. Capital gain reported in Box 3 of your 1099-R..... 1. \_\_\_\_\_
2. Multiply line 1 by 3.92%  
If you choose to use Part II, continue to line 3. Otherwise, enter this amount on your SC1040, line 7  
or SC1041, line 9..... 2. \_\_\_\_\_

**Part II Complete this part to choose the 10-year tax option (see federal instructions)**

3. Amount from line 10 of your federal 4972..... 3. \_\_\_\_\_
4. Retirement deduction (see instructions)
- a) Taxpayer (date of birth: \_\_\_\_\_)..... 4a. \_\_\_\_\_
- b) Spouse (date of birth: \_\_\_\_\_)..... 4b. \_\_\_\_\_
- c) Surviving spouse (date of birth of deceased spouse: \_\_\_\_\_)..... 4c. \_\_\_\_\_
5. Age 65 and older deduction (see instructions)
- a) Taxpayer (date of birth: \_\_\_\_\_)..... 5a. \_\_\_\_\_
- b) Spouse (date of birth: \_\_\_\_\_)..... 5b. \_\_\_\_\_
6. Add line 4 and line 5..... 6. \_\_\_\_\_
7. Total taxable amount (subtract line 6 from line 3) ..... 7. \_\_\_\_\_
8. Current actuarial value of annuity from Box 8 of your 1099-R..... 8. \_\_\_\_\_
9. Adjusted total taxable amount (add line 7 and line 8). If this amount is \$70,000 or more, **skip** line 10  
through line 13, enter this amount on line 14, then go to line 15 ..... 9. \_\_\_\_\_
10. Multiply line 9 by 50%. If greater than \$10,000, enter **\$10,000**..... 10. \_\_\_\_\_
11. Subtract \$20,000 from line 9. If less than zero, enter 0..... 11. \_\_\_\_\_
12. Multiply line 11 by 20%..... 12. \_\_\_\_\_
13. Minimum distribution allowance (subtract line 12 from line 10)..... 13. \_\_\_\_\_
14. Subtract line 13 from line 9 **or** enter the amount from line 9 if the amount is \$70,000 or more.  
If line 8 is blank, skip line 15 through line 17, then go to line 18..... 14. \_\_\_\_\_
15. Divide line 8 by line 9 and enter the result as a decimal (round to at least four places) ..... 15. \_\_\_\_\_
16. Multiply line 13 by line 15 ..... 16. \_\_\_\_\_
17. Subtract line 16 from line 8..... 17. \_\_\_\_\_
18. Multiply line 14 by 10%..... 18. \_\_\_\_\_
19. Tax on amount from line 18 (use the Tax Computation Schedule on page 2)..... 19. \_\_\_\_\_
20. Multiply line 19 by 10. If line 8 is blank, skip line 21 through line 23 and enter this amount on line 24,  
then go to line 25 ..... 20. \_\_\_\_\_

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21. Multiply line 17 by 10% ..... 21. \_\_\_\_\_
22. Tax on amount from line 21 (use the Tax Computation Schedule below)..... 22. \_\_\_\_\_
23. Multiply line 22 by 10..... 23. \_\_\_\_\_
24. Subtract line 23 from line 20 (multiple recipients, see federal instructions) ..... 24. \_\_\_\_\_
25. Tax on lump-sum distribution (add line 2 and line 24)..... 25. \_\_\_\_\_  
Enter this amount on SC1040, line 7 or SC1041, line 9

## INSTRUCTIONS

South Carolina's provisions for lump-sum distributions are the same as the federal provisions. If you used the federal 4972 for a lump-sum distribution, you must use the SC4972 to compute the South Carolina tax.

### Line 4: Retirement deduction

An individual under the age of 65 may deduct up to \$3,000 of qualified retirement income. An individual age 65 or older may deduct up to \$10,000 of qualified retirement income.

A surviving spouse receiving qualified retirement income from a deceased spouse may deduct up to \$3,000 or \$10,000, whichever would apply if the deceased spouse were alive. The surviving spouse retirement deduction is in addition to the individual's retirement deduction from their own plan.

**The retirement deduction can be claimed on this form to the extent it is not claimed on the SC1040 or the Schedule NR.** If an age 65 and older deduction has been claimed on the SC1040 or the Schedule NR, **do not** include any individual retirement deduction on line 4.

### Line 5: Age 65 and older deduction

Beginning in the tax year that a resident individual reaches age 65, a deduction of \$15,000 can be claimed against **any** South Carolina income. This deduction is reduced by the amount of any individual retirement deduction. The age 65 and older deduction is not reduced by any surviving spouse retirement deduction.

**The age 65 and older deduction can be claimed on line 5 to the extent it is not claimed on the SC1040 or the Schedule NR.**

For additional information on the retirement deduction and age 65 and older deduction, see the SC1040 instructions, available at [dor.sc.gov/forms](http://dor.sc.gov/forms).

### 2021 Tax Computation Schedule for Line 19 and Line 22

If the amount on line 18 or line 21 is:

At least	But less than	Compute the tax as follows:
\$0	\$3,110	0% times the amount
3,110	6,220	3% times the amount minus \$93
6,220	9,330	4% times the amount minus \$156
9,330	12,440	5% times the amount minus \$249
12,440	15,560	6% times the amount minus \$373
15,560	or more	7% times the amount minus \$529

### Social Security Privacy Act Disclosure

It is mandatory that you provide your Social Security Number on this tax form if you are an individual taxpayer. 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 SCDOR must provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.