



2022 SC1040

INDIVIDUAL INCOME TAX

FORM AND INSTRUCTIONS

SOUTH CAROLINA DEPARTMENT OF REVENUE

DOR.SC.GOV

DECEMBER 2022
REV: 12/20/2022

TABLE OF CONTENTS

Reminders	1
Electronic Filing	2
New for 2022	3
Filing Guidelines	5
Tax Help	6
Frequently Asked Questions.....	7
SC1040 Instructions.....	12
SC1040.....	31
Tax Tables.....	34

REMINDERS

The due date for filing your 2022 South Carolina Individual Income Tax return is April 18, 2023.

Find forms at dor.sc.gov/forms.

Mail returns to:

Refunds or zero tax:

SC1040 Processing Center
PO Box 101100
Columbia, SC 29211-0100

Balance due:

Taxable Processing Center
PO Box 101105
Columbia, SC 29211-0105

Paying online is quick and easy! Make payments on MyDORWAY, our secure tax portal! Pay any balance due using our free online tax portal, **MyDORWAY**. Visit dor.sc.gov/pay and select **Individual Income Tax Payment** to get started.

If you're expecting a refund, your options are direct deposit, debit card, or paper check. Direct deposit is the fastest, safest, and easiest way to receive your refund. Other refund options like paper checks cost taxpayers 10 times more to process, take longer to get to you, and can be lost or stolen.

If you need more time to file your SC1040, visit dor.sc.gov/pay, select **Individual Income Tax Payment**, then select **Extension Payment** on the following screen. Your payment on MyDORWAY automatically submits your filing extension request—no additional paperwork required!

South Carolina Use Tax is due on purchases made outside of South Carolina for use, storage, or consumption in South Carolina, when the state Sales and Use Tax has not already been collected by the seller. Examples include purchases made online, when visiting another state, or through out-of-state catalog companies and home shopping networks. Use Tax can be paid on the SC1040 (line 26), online with your MyDORWAY account, or by completing the UT-3/UT-3W. A worksheet is included in the SC1040 Instructions to help you calculate and pay Use Tax.

Ready for your refund?

File online and choose direct deposit.

Filing online and choosing direct deposit is the quickest and most secure way to complete your South Carolina return and get your refund.

Visit dor.sc.gov/iit-filing for information on your electronic filing options. Free and low cost options are available!

- You may qualify to file online for free! Visit dor.sc.gov/services/free-file to find vendors and qualification information.

Whether you file online or by paper, choose to receive your refund by direct deposit. It's fast, accurate, and secure! Other refund options like paper checks cost taxpayers 10 times more to process, take longer to get to you, and can be lost or stolen. Learn more at dor.sc.gov/refund.

Go direct!

Have a balance due?

Pay electronically! It's fast and easy!

Whether you file online or by paper, if you have a balance due, choose to pay your taxes electronically!

Paying online is quick and easy! Use our free and secure tax portal, **MyDORWAY**, at dor.sc.gov/pay to make your payment.

- Select **Individual Income Tax Payment** to get started.
- Pay electronically by ACH Debit when you file your return. Enter your bank information.
- The SCDOR will make a request to your bank for payment of the South Carolina taxes you owe. Your bank will automatically debit your account for the requested funds. No further action is needed on your part!

You have until May 1, 2023 to file and pay any balance due if you file and pay online!

This does not apply to federal returns or returns submitted by paper.

NEW FOR 2022

2022 LEGISLATIVE UPDATE – A list of significant changes in tax and regulatory laws and regulations enacted during the 2022 legislative session is available at dor.sc.gov/policy.

CONFORMITY – South Carolina recognizes the Internal Revenue Code as amended through December 31, 2021, unless otherwise provided. If adopted Internal Revenue Code sections that expired on December 31, 2021 are extended, but were otherwise not amended by congressional act during 2022, these sections will also be extended for South Carolina Income Tax purposes.

REDUCTION IN THE INCOME TAX RATES – For tax year 2022, the top marginal Individual Income Tax rate changed to 6.5%. Use the SC1040TT, 2022 South Carolina Individual Income Tax Tables, available at dor.sc.gov/forms to determine your tax.

ALL MILITARY RETIREMENT INCOME IS DEDUCTIBLE – Beginning with tax year 2022, individuals may deduct all military retirement income included in their South Carolina taxable income.

Reduce the retirement deduction (SC1040, line p1 and line p2) and the age 65 and older deduction (SC1040, line q1 and q2) by the amount of military retirement deduction taken.

INCREASE IN SOUTH CAROLINA DEPENDENT EXEMPTION (line w of the SC1040) – The South Carolina dependent exemption amount for 2022 is \$4,430 and is allowed for each eligible dependent, including both qualifying children and qualifying relatives.

INCREASE IN MOTOR FUEL INCOME TAX CREDIT – This refundable Income Tax credit increased from 9 cents per gallon to 11 cents per gallon for 2022. Full or part-year resident taxpayers may claim the refundable credit for the lesser of the increase in South Carolina Motor Fuel User Fee they paid during 2022 or the preventative maintenance costs they incurred in South Carolina during the tax year. The credit is limited to two private passenger motor vehicles or motorcycles. To claim the credit, attach a completed I-385 to your return.

INCREASE IN EARNED INCOME TAX CREDIT – Full-year residents may claim the South Carolina Earned Income Tax Credit if they qualify for the federal credit. For 2022, the non-refundable credit is equal to 104.17% of the federal Earned Income Tax Credit allowed the taxpayer.

INCREASE IN TWO WAGE EARNER CREDIT – The maximum credit available for the Two Wage Earner Credit (claimed by a married couple filing jointly when both taxpayers have earned income taxed to South Carolina) has increased. For 2022, the credit is 0.7% of the lesser of \$46,667 or the South Carolina qualified earned income of the taxpayer with the lower qualified income for the taxable year.

INCREASE IN THE CLASSROOM TEACHER EXPENSES CREDIT – For tax year 2022, the maximum credit amount increased to \$300.

FORMERLY INCARCERATED APPRENTICESHIP CREDIT – The Formerly Incarcerated Apprenticeship Credit is a nonrefundable tax credit available to taxpayers who hire a formerly incarcerated individual as a new employee in a registered apprenticeship validated by the US Department of Labor. The credit is available for employees hired from January 1, 2022 to December 31, 2026. Use the TC-64 to calculate the credit. Forms are available at dor.sc.gov/forms.

VETERANS APPRENTICESHIP CREDIT – The Veterans Apprenticeship Credit is a nonrefundable tax credit available to taxpayers who hire a veteran of the US Armed Forces as a new employee in a registered apprenticeship validated by the US Department of Labor. The credit is available for employees hired from January 1, 2022 to December 31, 2026. Use the TC-65 to calculate the credit. Forms are available at dor.sc.gov/forms.

BEFORE YOU FILE

Follow these guidelines to make sure your return is processed quickly and your refund is not delayed. Your return may be mailed back to you if you have not provided all the required information.

- Make sure you have received ALL of your W-2s and other tax documents.
- You need to have your correct Social Security Number (SSN). If you cannot get an SSN, you need to apply for an Individual Taxpayer Identification Number (ITIN) from the IRS. Contact the IRS at 1-800-829-1040 or register at **irs.gov** using the federal form W-7.
- Double check all SSNs, your name, address, and all of your calculations.
- Keep a copy of your complete return for your records.
- Documents and schedules (if needed) should be placed in the following order:
 1. W-2s
 2. 1099s with South Carolina Withholding
 3. SC1040 – **all three pages**
 4. Schedule NR Nonresident Schedule
 5. SC1040TC Tax Credits
 6. I-319 Tuition Tax Credit
 7. I-385 Motor Fuel Income Tax Credit
 8. I-330 Contributions for Check-Offs
 9. Any other South Carolina forms and schedules
 10. Any federal forms and schedules

FOLLOW THESE GUIDELINES TO AVOID COMMON ERRORS THAT CAN LEAD TO DELAYS.

DO

- ✓ File online.
- ✓ Use direct deposit, giving you the fastest access to your refund.
- ✓ Pay your balance due electronically. It's fast and easy! Use our free secure tax portal, **MyDORWAY**, at **dor.sc.gov/pay** or enter your bank information on your SC1040 and pay by ACH Debit.
- ✓ Use the form for the correct tax year.
- ✓ Include all SSNs and make sure they're correct.
- ✓ Mark your filing status. Generally it will match your federal return.
- ✓ Send all three pages of the SC1040.
- ✓ Attach your Schedule NR to your SC1040 and make sure you mark the **SC Schedule NR** box, if applicable.
- ✓ Sign your return! If married and filing jointly, both taxpayers must sign.
- ✓ Make sure your mailing address is complete and accurate.
- ✓ Sign your check, make it payable to SCDOR, and make sure the wording matches the dollar amount.
- ✓ Include SC Withholding on line 16 for W-2s and line 20 for 1099s.
- ✓ If you claim a tax credit, attach an SC1040TC and all supplemental tax credit schedules to support the tax credits claimed on the SC1040TC.

DON'T

- ✗ Claim the Two Wage Earner Credit, unless your filing status is married filing jointly.
- ✗ Claim state withholding paid to another state.
- ✗ Send additional copies of your return. If you file online, you don't need to submit a paper copy.
- ✗ Use an SC1040X to change or correct your 2022 return. Instead file a SCH AMD and a new SC1040 with the **Amended Return** box checked.

TAX HELP

SCDOR Taxpayer Service Centers are located across the state. Visit dor.sc.gov/contact/in-person for locations and hours.

The SCDOR Taxpayer Advocate provides assistance for innocent spouse requests for SCDOR debts, certificates of tax compliance, and lottery compliance. If you have a general question or concern, you should first call 1-844-898-8542. If you receive a letter or notice, use the contact information provided on the notice.

Taxpayer Advocate: 803-898-5444 *Innocent Spouse:* 803-898-5199 *Compliance:* 803-898-8381

Volunteer Income Tax Assistance (VITA) provides free tax assistance to lower income taxpayers, those with disabilities, the elderly, and limited-English speaking taxpayers who need assistance preparing their tax returns. Generally, those who receive these services cannot afford professional tax assistance. Volunteers are located throughout the state. Call 211 for more information.

Copies of prior year returns can be provided upon request. To request a copy of a prior year return, complete an SC4506, Request for Copy of Tax Return or Tax Account Information/Transcript, available at dor.sc.gov/forms. You may choose to have copies of your prior year returns mailed or emailed to you. Allow 30 days to receive mailed copies. SSNs will be partially redacted from all copies. You can submit your completed and signed SC4506 by:

- **Email:** RequestForCopies@dor.sc.gov
- **Fax:** 803-737-2934
- **Mail:** SCDOR, Request for Copies, PO Box 125, Columbia, SC 29214-0890

If you used a paid preparer to file your return, your preparer should have a copy of your return.

CONTACT INFORMATION

IIT Information
1-844-898-8542

Hearing Impaired
800-735-8583

Refund Status
1-844-898-8542

Relay South Carolina
Voice: 800-735-2905
TTY: 800-735-8583

Copies of Returns
RequestForCopies@dor.sc.gov
Fax: 803-737-2934

Taxpayer Advocate
803-898-5444

Individual Income Tax Frequently Asked Questions

(Rev. 10/4/22)
3556

Do I need to file a South Carolina Income Tax return?

If you answer **YES** to any of these questions, you must file a South Carolina Income Tax return.

Resident taxpayers under age 65:

- Were you required to file a federal Income Tax return which included income taxable by South Carolina? (Residents of South Carolina are taxed on their entire income, regardless of where it was earned, unless specifically exempted by law.)
- Did you have South Carolina Income Tax withheld from your wages?

Resident taxpayers age 65 or older:

- **Married filing jointly (both 65 or older)** - Is your gross income greater than the federal gross income filing requirement amount plus \$30,000? Find the federal gross income filing requirement amount in the federal 1040 instructions, available at [irs.gov](https://www.irs.gov).
- **Any other filing status** - Is your gross income greater than the federal gross income filing requirement amount plus \$15,000? Find the federal gross income filing requirement amount in the federal 1040 instructions, available at [irs.gov](https://www.irs.gov).
- Did you have South Carolina Income Tax withheld from your wages?

Nonresidents:

- Did you have South Carolina Income Tax withheld from your wages?
- Do you have South Carolina gross income, including income from rental property, businesses, or other investments in South Carolina?

Am I a resident or a nonresident?

You are a South Carolina **resident**, even if you live outside of South Carolina, if all of the following are true:

1. Your intention is to maintain South Carolina as your permanent home.
2. South Carolina is the center of your financial, social, and family life.
3. When you are away, you intend to return to South Carolina.

You are a **nonresident** if your permanent home is outside South Carolina for the entire year and none of the above applies.

For more information on residency and domicile, refer to **Determining a Taxpayer's Domicile for Income Tax Purposes**, available at dor.sc.gov/policy.

What is my residency status if I moved into or out of South Carolina during the tax year?

You are a part-year resident and may consider yourself a full-year resident or a nonresident.

- If you file as a full-year resident, file the SC1040. Report all your income as though you were a resident for the entire year. You will be allowed a credit for taxes paid on income taxed by South Carolina and another state. Complete the SC1040TC and attach a copy of the other state's Income Tax return.
- If you file as a nonresident, file the SC1040 with the Schedule NR. You will be taxed only on income earned while a resident in South Carolina and income from South Carolina sources. You will prorate your deductions. All personal service income earned in South Carolina must be reported.

You may choose the filing method that is most beneficial to you. This option is only available for the tax year that you are a part-year resident.

How should I file if I am a nonresident of South Carolina but work in this state?

File the SC1040 with the Schedule NR. You will be taxed only on income earned in South Carolina and will prorate your deductions. You must report all personal service income earned in South Carolina.

How should I file if I am a full-year South Carolina resident but my spouse is not?

If you file a **joint** federal return, you must file a **joint** SC1040 with Schedule NR. You will report all income for the entire year to South Carolina. Your spouse will only report income earned in this state.

If you file **separate** federal returns, you must file a **separate** South Carolina return. Your spouse must also file a **separate** South Carolina return if they have income taxable by South Carolina.

What is my residency status if I am in the armed forces?

- If you enter the armed forces when you are a South Carolina resident, you keep your South Carolina residency

status, even if you are absent from the state on military orders. You are subject to the same residency requirements as any other South Carolina resident and are required to file a South Carolina Income Tax return.

- If you are not a South Carolina resident but are stationed in this state by military orders, your military income is not subject to South Carolina tax. If you have other earned income subject to South Carolina tax, file the SC1040 with the Schedule NR. Your spouse may be exempt from South Carolina Income Tax on income from services performed in South Carolina under the Federal Military Spouses Residency Relief Act. See the Schedule NR instructions, available at dor.sc.gov/forms.

Do I need to pay South Carolina Use Tax?

You may need to pay South Carolina Use Tax if you purchase tangible personal property from out-of-state retailers for use, storage, or consumption in South Carolina. This includes purchases from online retailers, out-of-state catalog companies, in-home shopping networks, or when visiting another state. The Use Tax rate is the 6% state rate plus the applicable local Use Tax rate for the location where the tangible personal property will be used, stored, or consumed.

Report and pay your Use Tax using the SC1040, the UT3, Use Tax Return, or using our secure online tax portal, MyDORWAY, at MyDORWAY.dor.sc.gov. If paying online through MyDORWAY, sign into your existing account or create an account to get started. Refer to the UT-3 instructions, available at dor.sc.gov/forms, for additional information and Use Tax rates by county. You may be responsible for paying Use Tax even if you are not required to file the SC1040.

What is the due date of my return?

A return for calendar year 2022 is due by April 18, 2023.

A return for a fiscal year tax period is due by the 15th day of the fourth month following the close of your tax year. On the front of the return, complete the dates covered by the fiscal year.

If you file and pay electronically, you have until May 1, 2023 to submit your return and full payment without penalties or interest. If you don't file and pay by May 1, 2023, penalties and interest will be charged from the tax due date (April 18, 2023) until you file and pay.

The May 1, 2023 due date does not apply to federal returns or returns submitted on paper, both of which are due by April 18, 2023.

How do I get more time to file?

If you need more time to file your South Carolina return:

- Request your extension to file by paying your balance due on our free online tax portal, MyDORWAY, at dor.sc.gov/pay. Select **Individual Income Tax Payment** to get started. You do not need to sign in or create a MyDORWAY account. Your payment on MyDORWAY automatically submits your filing extension request. No additional form or paperwork is required. You must pay at least 90% of your state tax due with the extension request by April 18, 2023.
- If no Income Tax is due and you have been granted an extension of time to file your federal Income Tax return, we will accept a copy of the federal extension. You do not need to send us a copy of the federal form by the due date of the tax return.
- If you do not have a federal extension, you must file the SC4868, Request for Extension of Time to File, by April 18, 2023. You do not have to file the SC4868 if you paid your balance due on MyDORWAY.
- When you file your return, mark the **Extension** box on the front of the SC1040 to indicate you filed an extension.
- Enter any payments made with your extension request on line 18 of the SC1040.

Can I extend the time to pay my taxes?

An extension allows additional time to file your South Carolina tax return, but **not to pay any tax due**. You will be charged interest, at the prevailing federal rates, on any unpaid tax. Interest is applied from the original due date of the tax return to the date of payment. In addition to the interest, you will be charged a penalty of 0.5% per month for failure to pay at least 90% of the total tax due by the original due date. The penalty will be imposed on the difference between the amount paid with the extension and the tax to be paid for the period.

A **Penalty and Interest Calculator** is available on MyDORWAY, our secure online tax portal, at dor.sc.gov/calculator.

What are the penalties for failing to file a return or filing a fraudulent return?

Any person who deliberately fails to file a return, files a fraudulent return, or attempts to evade the tax in any manner may be liable for a penalty up to \$10,000, imprisoned for up to five years, or both.

When will I get my refund?

You can check your current year refund status on our secure online tax portal, MyDORWAY, at dor.sc.gov/refund or by

calling 1-844-898-8542. To avoid long waiting times, we recommend checking your status online before calling us. Our refund status application is updated nightly and has the same information as our representatives. Processing your return and refund is expected to take 6-8 weeks from the date you filed.

How do I file a return for a deceased taxpayer?

If a person received income during this tax year but died before filing a return, the South Carolina Income Tax return should be filed by their surviving spouse or by an executor or administrator. Use the same filing status that was used on their final federal Income Tax return. Mark the **check if deceased** box next to the decedent's Social Security Number. The due date for filing is the same as for federal purposes. In the signature area of the return, write **Filing as surviving spouse**, if applicable. A personal representative filing the return must sign in their official capacity and attach the SC1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, available at dor.sc.gov/forms. Any refund will be issued to the decedent's surviving spouse or estate.

Do I need to round amounts on my return?

Round cents to the nearest whole dollar on your return and schedules. For amounts less than 50 cents, round down to 0. For amounts of 50-99 cents, round up to the next dollar. For example: \$2.15 becomes \$2, \$3.50 becomes \$4, and \$4.75 becomes \$5.

What tax records do I need to keep?

Keep a copy of your return and any schedules, worksheets, or statements used to prepare your return. Keep records that support an item of income or a deduction appearing on a tax return until the limitations period for the return runs out. The limitations period is generally three years from the date the return was filed or due to be filed, whichever is later.

Save any records concerning property, home, stocks, and business property you bought and may sell later. The records kept should show the purchase price, date, and related cost. For real property, records should show the cost and date of improvements.

Your return may be audited by the IRS or the SCDOR. If audited, the law requires you to show proof of your income, expenses, and cost of assets.

When should I file an amended return?

File an amended return if you were audited by the IRS or if you amended your federal tax return, unless there was no impact on your state return. An amended return is also necessary if you omitted income, claimed deductions or credits you were not entitled to, failed to claim deductions or credits you were entitled to, or changed your filing status after you filed your initial return.

You may apply for a refund on either an amended or delinquent return for any tax period which is open under the statute of limitations. The SCDOR will not issue a refund for requests received beyond the limitations period.

In general, a claim for refund must be filed within three years from the date the return was filed or originally due or two years from the date the tax was paid. If a claim is filed within three years from when the return was filed or originally due, the refund is limited to the tax paid within the past three years plus the period of any extension. Withholding, Estimated Taxes, and amounts paid with extensions are considered to have been paid on the date the return was originally due.

If a claim is not filed within three years from the date when the return was filed or originally due, the refund is limited to tax paid during the past two years.

How do I file an amended return?

- **Beginning with tax year 2019**, file a new SC1040 and check the **Amended Return** box on the front. Complete the return as it should have been filed, including all schedules and attachments. Complete the SCH AMD, Amended Return Schedule, and submit it with your amended SC1040.
- **For tax years 2018 and before**, use the SC1040X to amend your return. Do not use the SC1040 or the SCH AMD.

Forms are available at dor.sc.gov/forms.

What if I am audited by the IRS?

If you receive a refund or owe additional federal tax, you must file an amended SC1040, along with a Schedule AMD, after the federal audit report becomes final. Check the **Amended Return** box on page 1 of the SC1040 to indicate that the return is amended.

Why was my refund adjusted?

The SCDOR assists other state agencies, institutions of higher learning, political subdivisions of the state, and the IRS in

collecting overdue accounts. All or part of your refund can be sent directly to these claimant agencies if they notify us that you have a past-due account with them. This may include balances for hospital bills, EMS bills, student loans, and utility bills.

The SCDOR charges a \$25 administrative fee to complete a refund setoff. If any of your refund is sent to a claimant agency, the SCDOR will notify you in writing. If your refund exceeds the amount owed the claimant agency plus the administrative fee, the balance will be issued to you.

If you believe you do not owe the debt, the amount sent was incorrect, or the debt has already been paid, **you must contact the claimant agency, not the SCDOR.** Our written notification to you will include contact information for the claimant agency.

Do I need to file a Declaration of Estimated Tax?

You must file a SC1040ES, Declaration of Estimated Tax, if you expect to owe an Income Tax liability of \$100 or more with the filing of your SC1040.

Use the Estimated Tax Worksheet, found in the instructions of the SC1040ES, to compute your Estimated Tax for tax year 2023:

- If you are a resident of South Carolina, use your 2022 SC1040 as a basis for figuring your Estimated Tax.
- If you are a nonresident of South Carolina, use your 2022 SC1040 and Schedule NR as a basis to calculate the modified South Carolina taxable income to enter on line 3 of the worksheet.

Forms are available at dor.sc.gov/forms.

The following taxpayers **do not** have to file a Declaration of Estimated Tax:

- Farmers and commercial fishermen whose gross income from farming or fishing for 2022 or 2023 is at least two-thirds (66.67%) of their total gross income from all sources. Instead of making four quarterly Estimated Tax payments, farmers and commercial fishermen may choose to pay all of their Estimated Tax by January 16, 2024 or file their 2023 SC1040 and pay the total tax due by March 1, 2024.
- Individuals whose prior year tax liability was \$0 for a full 12 months.
- Nonresidents of South Carolina doing business in this state on a contract basis where the contract is more than \$10,000 and tax is withheld at 2% from each contract payment.

What are the penalties for failing to pay Estimated Tax?

You may be charged a penalty if:

- You do not pay enough Estimated Tax.
- You do not make your payments by the due date and for the required amount.
- You do not pay at least 90% of the total tax due.

You will not be charged a penalty if your underpayment results from personal service income earned in another state and tax was withheld by the other state.

You can avoid a penalty if you make timely Estimated Tax payments equal to 100% of the tax shown due on your SC1040 for the prior tax year (the 100% rule). You must have filed an SC1040 for the prior tax year, and it must have covered a 12-month year.

If the adjusted gross income on your prior year SC1040 was more than \$150,000, the 100% rule is adjusted to 110% of last year's tax liability. Calculate adjusted gross income by using federal guidelines and making South Carolina adjustments.

Refer to the SC2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, available at dor.sc.gov/forms for more information on computing the underpayment penalty.

How do I file the Declaration of Estimated Tax?

Save time and paper by filing online using our free, secure tax portal, MyDORWAY, at dor.sc.gov/pay. Select **Individual Income Tax Payment** to get started. You do not need to sign in or create a MyDORWAY account. Do not mail the SC1040ES if you pay online.

If you pay by check, make your check payable to SCDOR. Include the SSN, tax year, and **2023 SC1040ES** in the memo. Do not send cash.

Mail your SC1040ES and payment to SCDOR, IIT Voucher, PO Box 100123, Columbia, SC 29202. Forms are available at dor.sc.gov/forms.

How do I change my name or address?

If you have a MyDORWAY account, log in to MyDORWAY.dor.sc.gov and select the **More** tab, then click **Manage Names**

& Addresses under the **Names & Addresses** section. If you don't have MyDORWAY account, complete the SC8822I, available at dor.sc.gov/forms, and email it along with any required documents to TaxSupport@dor.sc.gov.

If I owe \$15,000 or more in connection with any SCDOR return, do I have to file and pay electronically?

Yes, according to the Electronic Mandate provided in SC Code Sections 12-54-250 and 12-54-210, you must file and pay electronically.

How do I file and pay electronically?

File electronically using **Fed/State EFile**. This option allows you to file both federal and state or just the state return electronically and pay with ACH debit using one of our approved vendors. Visit dor.sc.gov/iit-filing for more information.

Make your payment using our free online tax portal by logging in to MyDORWAY.dor.sc.gov and scrolling to your Individual Income Tax account. If you don't have an account, you can still pay electronically by visiting dor.sc.gov/pay. You cannot file your return through MyDORWAY.

SC1040 INSTRUCTIONS 2022 (Rev 10/13/2022)

Things to know before you begin:

- For tax year 2022, unless you have a valid extension, the due date is **April 18, 2023** and the deadline to claim a refund is April 18, 2026.
- Complete your federal return before you begin your SC1040. You will need information from your federal return when preparing your South Carolina return.
- South Carolina conforms to the Internal Revenue Code as amended through December 31, 2021, except as otherwise provided. If Internal Revenue Code sections adopted by South Carolina which expired on December 31, 2021 are extended, but otherwise not amended, by congressional enactment during 2022, these sections are also extended for South Carolina Income Tax purposes in the same manner that they are extended for federal Income Tax purposes.
- The references to form numbers and line descriptions on federal Income Tax forms were correct at the time of printing. If they have changed and you are unable to determine the proper line to use, contact the SCDOR Individual Income Tax section at 1-844-898-8542 or by email at ITax@dor.sc.gov.
- Use these instructions as a guide when preparing your SC1040. They are not intended to cover all provisions of the law.
- If you used federal schedules C, D, E, or F when filing your federal return or filed a Schedule NR, SC1040TC, I-319, or I-335 with your South Carolina return, attach a copy of your federal return and schedules to your South Carolina return.
- Beginning with tax year 2019, if you need to amend your return, file a new SC1040 and check the **Amended Return** box on the front. Complete the return as it should have been filed, including all schedules and attachments. Complete the SCH AMD, Amended Return Schedule, and submit it with your amended SC1040.
- For tax years 2018 and before, use the SC1040X to amend your return. Forms are available at dor.sc.gov/forms.

Social Security Number, name, and address:

- Enter your Social Security Number (SSN). Check the appropriate box if the taxpayer is deceased.
- Enter your name, mailing address, and the county code of the county where you live. You can find a list of county codes on page 17. Check the box to let us know if this is a new address. **To avoid delays, be sure your mailing address is complete and accurate on your return.**
- For a foreign address, check the appropriate box to let us know the address is outside the US. Print or type the complete foreign address, including postal code.
- If you are married and filing a joint return, enter your spouse's name and SSN. Check the appropriate box if the taxpayer is deceased.
- If you are married and filing separate returns, **do not include your spouse's name or SSN in this section. Enter your spouse's SSN next to box 3 in the filing status section.**

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.

Individual Taxpayer Identification Number (ITIN)

If you are a nonresident or resident alien and cannot get an SSN, contact the IRS to apply for an Individual Taxpayer Identification Number (ITIN) for the purpose of filing Income Tax returns. South Carolina will accept this number in place of an SSN to process your Individual Income Tax returns. For more information, contact the IRS at 1-800-829-1040 or visit irs.gov. We cannot accept your return for processing without complete SSNs or ITINs.

Checkboxes:

- If you are filing an amended SC1040, check the **Amended Return** box. Complete the return as it should have been filed. Complete the SCH AMD, Amended Return Schedule, and submit it with your amended SC1040. **Your amended return cannot be processed without the SCH AMD.**
- If you are a nonresident for the entire year or a part-year resident electing to file as a nonresident, check the appropriate box and attach your Schedule NR to the completed SC1040. **Do not submit the Schedule NR separately.**

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

- If you are filing a composite return for a partnership or S Corporation, check the appropriate box. See the I-348, Composite Filing Instructions, available at dor.sc.gov/forms for more information on filing a composite return. **Do not check the box if you are an individual.**
- If you filed a federal or state extension, check the appropriate box.
- If you served in a Military Combat Zone during the filing period, check the appropriate box and enter the combat zone.

Filing status

Choose the same filing status that you used on your federal return. **Check only one box.**

Dependent exemption

- You can take a South Carolina dependent exemption for each eligible dependent, including both qualifying children and qualifying relatives.
- Enter the total number of eligible dependents. The total number of dependents claimed on your South Carolina return must equal the number of dependents claimed on your federal return.
- Attach the federal 8332, Release/Revocation of Release of Claim to Exemption for Child by Custodial Parent, if you are required to file this form with your federal return.
- Claim your deduction for dependent exemptions on line w.
- If you are claiming a deduction for dependent children under age 6, enter the number of children under age 6. Claim your deduction for dependents under age 6 on line t.
- Enter the number of taxpayers who are age 65 or older.
- Enter the first and last name, SSN, relationship, and date of birth of each dependent.

Line instructions

Round all amounts to the nearest whole dollar.

Line 1: Federal taxable income

Enter your taxable income from your federal form. **If your federal taxable income is zero or less, enter zero** here and enter your negative amount on line r.

STOP! Nonresident/Part-year filers must complete the Schedule NR and go to line 5. See the Schedule NR instructions, available at dor.sc.gov/forms.

Additions to federal taxable income

Enter all numbers on **line a through line e** as positive numbers even if they are negative numbers on the federal return.

Line a through line e are adjustments which must be added to your federal taxable income to determine your South Carolina taxable income. Line 2 is the total of these additions.

Line a: State tax addback

If you itemized your deductions on your federal Income Tax return and deducted state and local Income Tax or general Sales Tax, you may be required to add back all or part of this amount to your federal taxable income when computing your South Carolina taxable income.

Federal law limits your total deduction for state and local Income, Sales, and Property Taxes to a combined total deduction of \$10,000 (\$5,000 if Married Filing Separately). You can't deduct any state or local taxes paid above this amount.

In determining the state tax addback for a taxpayer whose tax deduction is limited to \$10,000, you may first apply real or personal Property Taxes reported on federal Schedule A, lines 5b and 5c before applying state and local Income Taxes or general Sales Taxes reported on federal Schedule A, line 5a.

The state tax addback required for South Carolina is the lesser of your:

- a. itemized deductions in excess of the standard deduction that would have been allowed if you had used the standard deduction for federal Income Tax purposes;
- b. state and local Income Taxes or general Sales Taxes from your federal 1040, Schedule A, line 5a; or
- c. the \$10,000 federal tax deduction limit less deductible Property Taxes.

Use the worksheet below to compute the state tax add back on the SC1040. Do not submit this worksheet with your return. Keep it with your tax records.

Worksheet for state tax addback

1. Itemized deductions from 2022 federal 1040, Schedule A line 17.	1.	
2. Enter the federal standard deduction you would have been allowed if you had not itemized. Enter zero if filing status is Married Filing Separately (MFS). (See federal instructions.)	2.	
3. Subtract line 2 from line 1. (Enter zero if line 2 is greater than line 1.)	3.	
4. Enter the amount of state and local Income Tax or general Sales Tax from federal Schedule A.	4.	
5. Subtract real estate taxes and personal property taxes reported on federal Schedule A from the federal limit of \$10,000 (\$5,000 if MFS). Enter the difference but not less than zero.	5.	
6. Enter the lesser of line 3, line 4, or line 5. Enter this amount on SC1040 line a .	6.	

Line b: Out-of-state losses

Enter losses from:

- out-of-state rental property
- businesses located outside South Carolina
- real property located in another state

Enter the total amount of out-of-state loss from your federal return, including any related expenses. Personal service income (W-2 or business wages) is taxable to South Carolina no matter where it is earned.

Line c: Expenses related to National Guard and Military Reserve income

Enter the expenses from your service in the National Guard or Reserves that you deducted on your federal return. You will deduct your income from the National Guard or Reserves on line n of the SC1040.

Line d: Interest income

Enter the amount of interest income that was exempt on the federal return and comes from obligations of states and political subdivisions other than South Carolina. For a mutual fund, add back the percentage of exempt interest income attributable to out-of-state, non-federal obligations.

Line e: Other additions to income

Attach an explanation of your entry for this line. Some examples of items to enter on this line are:

- Taxpayers who claim bonus depreciation under federal law must add back the difference between the bonus depreciation taken and the depreciation which would have been allowed without bonus depreciation.
- Taxpayers who claim a nonrefundable credit for contributions to Exceptional SC (TC-57) are not allowed a deduction for these contributions. Add back the amount of the contribution deducted on the federal return.
- Taxpayers who claim a child care program credit for donations to a nonprofit corporation (TC-9) are not allowed a deduction for those donations. Add back the donation deducted on the federal return.
- Taxpayers who claim credits such as the Community Development Credit (TC-14), the Industry Partnership Fund Credit (TC-36), and the Credit for Child Care Program (TC-9), may not claim a deduction for the same qualified contribution which results in the credit. Add back the amount deducted on the federal return.
- Add back the federal net operating loss when it is larger than the South Carolina net operating loss being claimed.
- Add back any expenses deducted on the federal return related to any income not taxed by South Carolina. Some examples are investment interest to out-of-state partnerships and interest paid to purchase US obligations.
- Add back foreign area allowances, cost of living allowances, and income from US possessions.
- For qualifying investments made after June 30, 1998, taxpayers must reduce the basis of the qualifying property to the extent the Capital Investment Tax Credit is claimed. Add back any resulting reduction in depreciation.
- Add back the qualified business income deduction under IRC Section 199A.
- Add back any charitable contribution of land deducted under IRC Section 170 unless it meets the donative intent requirements of SC Code Section 12-6-5590.
- Include any withdrawals during the tax year from a Catastrophe Savings Account that were:
 1. necessary because contributions were more than the allowable limits; or
 2. more than the amount needed to cover qualified catastrophe expenses.

Do not include any withdrawals made by the surviving spouse of the account owner.

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

Qualified catastrophe expenses are expenses paid or incurred because of a major disaster as declared by the Governor.

- A business must add back any amount paid for services performed by an unauthorized alien if the amount is \$600 or more a year.
- South Carolina does not adopt the Individual Income Tax provisions of Section 204(a) of the Taxpayer Certainty and Disaster Tax Relief Act of 2019. Individuals will need to add back any increased contributions allowed under this section.
- Add back the increased charitable contribution deduction amounts allowed on the federal return under the CARES Act.
- Add back amounts for business meals under IRC 274(n) that were deducted in full on the federal return. South Carolina allows a 50% deduction for qualifying business meals.

Depending on how a particular item was reported or deducted, the following may be additions or subtractions.

- A change in the accounting method to conform in the same manner and the same amount to the federal. At the end of the federal adjustment, any balance will continue until fully adjusted.
- Adjust the installment method of reporting if:
 - the entire sale has been reported for state purposes, or
 - the entire sale was reported for federal purposes and you wish to continue on an installment basis for state purposes.
- Adjust the federal gain or loss to reflect any difference in the South Carolina basis and federal basis.

Line 2: Total additions

Add line a through line e.

Subtractions from federal taxable income

Enter all numbers on line f through line w as positive numbers even if they are negative numbers on the federal return.

Line f through line w are adjustments which are subtracted from your federal taxable income to determine your South Carolina taxable income.

Line f: State tax refund

If you included your state tax refund on your federal 1040, enter that amount on this line.

Line g: Total and permanent disability retirement income

If **disability retirement income** was taxed on your federal Income Tax return and you are **totally and permanently disabled**, you may be able to deduct this income from your South Carolina taxable income.

You must be totally and permanently disabled, unable to be substantially gainfully employed, receiving income from a disability retirement plan, and eligible for the homestead exemption under SC Code Section 12-37-250. Attach a copy of the physician's statement establishing that you are totally and permanently disabled.

The deduction is limited to payments received from retirement plans. Third-party sick pay reported on a W-2 does not qualify for the total and permanent disability retirement deduction.

A surviving spouse may take a disability retirement deduction for amounts received in the year the disabled spouse died. In following years, a surviving spouse is eligible for the retirement deduction on **line p** but not the disability deduction.

Line h: Out-of-state income/gain

Enter:

- income from out-of-state rental property
- income from a business located outside South Carolina, or
- gain from real property located in another state.

Enter the amount as reported on your federal return. Check the appropriate box to indicate the type of income or gain.

Personal service income (W-2 or business wages) is taxable to South Carolina no matter where it is earned.

Line i: Net capital gain deduction

Net capital gains included in taxable income are reduced by 44% for South Carolina Income Tax purposes.

Net capital gain means the **excess** of the **net long-term** capital gain for the tax year **over** the **net short-term** capital loss for the tax year. The South Carolina holding period for long-term capital gains is the same as the federal holding period.

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

Income received from installment sales and capital gain distribution qualifies for this deduction if the more than one year holding period has been met. Multiply the net capital gain by 44% and enter the result.

Example: A taxpayer reports a long-term (LT) gain on stock (held more than one year) of \$10,000 and a long-term loss on stock held since 1985 of \$3,000. The taxpayer also reports a short-term (ST) loss on stock held for six months of \$5,000.

SC Net LT Capital Gain	\$7,000 (10,000 - 3,000)
- SC Net ST Capital Loss	- 5,000
SC Net Capital Gain	\$2,000
x Gain Deduction	x 44%
Amount to be deducted	\$880

Line j: Volunteer deduction

Qualifying volunteer firefighters, rescue squad workers, volunteer hazardous material (HAZMAT) team members, reserve police officers, Department of Natural Resources (DNR) deputy enforcement officers, members of the State Guard, and state constables are allowed to deduct \$3,000.

- **Volunteer firefighters, rescue squad workers, and HAZMAT members** qualify only if their employer provides them with a form stating they have earned the minimum number of points established by the State Fire Marshal during the year.
- **Reserve police officers, DNR deputy enforcement officers, and State Guard members** qualify only if the appropriate authority provides them with an I-332 form certifying their eligibility.
- **Volunteer state constables** qualify if they complete at least 240 logged service time hours per year. They must be designated as a state constable by the State Law Enforcement Division (SLED) prior to the tax year the deduction is first claimed. SLED must provide the volunteer state constable with documentation verifying that they have completed the annual training required for the recently completed fiscal year.

An individual is limited to one deduction of \$3,000. If a taxpayer and spouse both qualify, enter \$6,000. Enter the type and amount of deduction.

Line k: Contributions to the SC College Investment Program (Future Scholar) or to the SC Tuition Prepayment Program

You may deduct 100% of any contributions to the SC College Investment Program made between January 1, 2022 and April 15, 2023.

You may deduct 100% of any contributions to the SC Tuition Prepayment Program made between January 1, 2022 and December 31, 2022.

Line l: Active trade or business income deduction

You may be able to elect to have South Carolina active trade or business income from a pass-through business taxed at a flat 3% rate. See the I-335, available at dor.sc.gov/forms, for more information. Enter the amount from the I-335, line 5 here.

Line m: Interest from US obligations

Enter the interest income from US obligations that you reported as income on your federal Income Tax return. US obligations include savings bonds, treasury notes, and treasury bills. For more information, see **South Carolina Revenue Ruling #16-2**, available at dor.sc.gov/policy.

Interest income from the following obligations **are taxable** for state purposes:

- Federal Home Loan Mortgage Corporation (Freddie Mac)
- Federal National Mortgage Association (Fannie Mae)
- Government National Mortgage Association (Ginnie Mae)

Line n: Certain nontaxable National Guard or Reserve pay

Income received by National Guard or Reserve members for customary annual training, weekend drills, and other inactive duty training is generally exempt from South Carolina Income Tax.

- Members of the National Guard or Reserves may deduct all inactive duty pay from the United States or any state for weekend drills and other inactive duty training they attended.
- Members of the National Guard and active duty Reserve members may also deduct up to 15 days of customary annual training pay, referred to as **active duty training** or **ADT**.
- Inactive duty Reserve members may also deduct up to 14 days of customary annual training pay, referred to as **active duty training** or **ADT**, plus up to two days of travel time listed on official orders.
- Full time Active Guard and Reserve (AGR) employees may deduct up to 15 days of annual training they attended and up to 24 days of weekend drills (a maximum of 39 days) at the daily rate of pay.

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

For more information, see **South Carolina Revenue Ruling #09-16**, available at dor.sc.gov/policy. Do not enter amounts for Military Reserve and National Guard pay included in retirement income. See the instructions for **Line v: Other subtractions** for information about deducting Military Reserve and National Guard retirement income.

Line o: Social Security and/or railroad retirement if taxed on your federal return

Enter the amount of Social Security from Title 2 of the Social Security Act or railroad retirement that was taxed on your federal return.

Line p-1 through line p-3: Retirement deduction

The deduction is allowed for an individual taxpayer who is the original owner of a qualified retirement account. An individual who is **under age 65** may claim a retirement deduction up to \$3,000 on qualified retirement income from their own plan.

An individual who is **age 65 or older** during the tax year may claim a retirement deduction up to \$10,000 on qualified retirement income from their own plan.

Line p-1: Include only qualified withdrawals from the taxpayer's own qualified retirement plan.

Line p-2: Include only qualified withdrawals from the spouse's own qualified retirement plan.

Line p-3: A surviving spouse receiving qualified retirement income on behalf of a deceased spouse may deduct up to \$3,000 or \$10,000 of the qualified retirement income, based on the age of the deceased spouse if they were alive. The surviving spouse must receive the decedent's retirement income as a surviving spouse.

The surviving spouse retirement deduction is in addition to the individual retirement deduction claimed from the taxpayer's own retirement plan.

If you are claiming the surviving spouse retirement deduction for more than one deceased spouse, calculate the deduction separately for each deceased spouse. Add the surviving spouse retirement deductions and enter the total on line p-3. Attach a statement showing the date of birth for each deceased spouse and the separate calculation for each deduction.

Qualified retirement income is income from plans defined in IRC 401, 403, 408, and 457, and all public employee retirement plans of the federal, state, and local governments, including individual retirement plans, Keogh plans, and military retirement.

Disability retirement income due to total and permanent disability, Social Security income, and railroad retirement income do not qualify because these items are not taxed by South Carolina. See line g and line o.

Any portion of qualified retirement income received this tax year that resulted in a federal premature withdrawal penalty does **not** qualify for a retirement deduction.

Reduce the taxpayer and spouse retirement deductions by any military retirement deductions taken. Do not reduce the surviving spouse retirement deduction by any surviving spouse military retirement deduction taken.

Worksheet for taxpayer (line p-1)	
1. Maximum deduction allowed for taxpayer based on age (\$3,000 or \$10,000)	1. _____
2. Taxpayer's military retirement deduction (line p-4)	2. _____
3. Taxpayer's retirement deduction available (subtract line 2 from line 1; if less than zero, enter zero.)	3. _____
4. Taxpayer's individual qualified retirement income included in federal form (taxable IRA distributions, pensions, and annuities)	4. _____
5. Retirement deduction (lesser of line 3 and line 4). Enter on line p-1 .	5. _____

Worksheet for spouse (line p-2)	
1. Maximum deduction allowed for spouse based on age (\$3,000 or \$10,000)	1. _____
2. Spouse's military retirement deduction (line p-5)	2. _____
3. Spouse's retirement deduction available (subtract line 2 from line 1; if less than zero, enter zero.)	3. _____
4. Spouse's individual qualified retirement income included in federal form (taxable IRA distributions, pensions, and annuities)	4. _____
5. Retirement deduction (lesser of line 3 and line 4). Enter on line p-2 .	5. _____

Worksheet for surviving spouse (line p-3)	
Calculate separately for each deceased spouse.	
1. Maximum deduction allowed for surviving spouse based on age of deceased spouse had they lived (\$3,000 or \$10,000 for each deceased spouse)	1. _____
2. Qualified retirement income received as surviving spouse included in federal form (taxable IRA distributions, pensions, and annuities)	2. _____
3. Retirement deduction (lesser of line 1 and line 2). Enter on line p-3 .	3. _____

Line p-4 through line p-6: Military retirement deduction

Beginning with tax year 2022, individuals may deduct all military retirement income included in their South Carolina taxable income. Reduce the retirement deduction (line p-1 and line p-2) and the age 65 and older deduction (line q-1 and line q-2) by the amount of military retirement deduction taken.

Military retirement income means taxable income received by the taxpayer or the taxpayer’s surviving spouse from a qualified military retirement plan. Income that is subject to a penalty for premature distribution does not qualify as military retirement income. For a surviving spouse, military retirement income includes a retirement benefit plan and dependent indemnity compensation received due to the deceased spouse’s military service.

Retirement benefits received for service in the National Guard or Reserves due to inactive time are subtracted on line v and are not included in taxable income. Do not include these amounts in the deduction on line p.

Line p-4: Include military retirement income related to the taxpayer’s military service.

Line p-5: Include military retirement income related to the spouse’s military service.

Line p-6: Include military retirement income received on behalf of a deceased spouse. Apply the deduction in the same manner that it was applied to the deceased spouse.

The surviving spouse military retirement deduction is in addition to any retirement deductions claimed on the taxpayer’s own retirement income.

If you are claiming the surviving spouse military retirement deduction for more than one deceased spouse, calculate the deduction separately for each deceased spouse. Add the surviving spouse military retirement deductions and enter the total on line p-6. Attach a statement showing the date of birth for each deceased spouse and the separate calculation for each deduction.

Line q: Age 65 and older deduction

Beginning in the tax year a resident taxpayer reaches age 65, they are entitled to a deduction of \$15,000 against any South Carolina income.

Line q-1 applies to the taxpayer whose name appears first on the return.

Line q-2 applies to the spouse whose name appears second on the return.

Reduce the age 65 and older deduction claimed on line q-1 and line q-2 by:

- any individual retirement deduction claimed on line p-1 and line p-2, and
- any military retirement deduction claimed on line p-4 and line p-5

Claiming a surviving spouse retirement deduction on line p-3 or line p-6 does not reduce the age 65 and older deduction for a taxpayer on line q-1 or line q-2.

Worksheet for taxpayer (line q-1)	
1. Age 65 and older deduction amount	1. <u> \$15,000 </u>
2. Retirement income deduction (line p-1)	2. _____
3. Military retirement income deduction (line p-4)	3. _____
4. Deduction available (add line 2 and line 3, then subtract the total from line 1. If less than zero, enter zero.) Enter on line q-1 .	4. _____

Worksheet for spouse (line q-2)	
1. Age 65 and older deduction amount	1. <u> \$15,000 </u>
2. Retirement income deduction (line p-2)	2. _____
3. Military retirement income deduction (line p-5)	3. _____
4. Deduction available (add line 2 and line 3, then subtract the total from line 1. If less than zero, enter zero.) Enter on line q-2 .	4. _____

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

Assume for all examples that taxpayers have income to qualify for the age 65 and older deduction in addition to the retirement deductions.

Example 1: A taxpayer age 65 or older has no military or other sourced retirement income on line p-1 or line p-4. The taxpayer is eligible for a deduction of \$15,000 on line q-1.

Example 2: A taxpayer age 65 or older has no military retirement income but other sourced retirement of \$14,000. The taxpayer is allowed a deduction of \$10,000 on line p-1 and a deduction of \$5,000 on line q-1.

Example 3: A taxpayer age 65 or older has military retirement income of \$13,000 and is allowed a deduction on line p-4 of \$13,000. The taxpayer is allowed a deduction of \$2,000 on line q-1. The maximum allowed deduction for 2022 is \$15,000.

Example 4: A taxpayer age 65 or older has military retirement income of \$36,000 and no other earned income. The taxpayer is eligible for a military retirement deduction of \$36,000 on line p-4. The taxpayer is not allowed an additional amount on line q-1.

Example 5: A taxpayer age 65 or older has military retirement income of \$16,000 and other sourced retirement income of \$8,000. The taxpayer is allowed a deduction on line p-4 of \$16,000. The taxpayer is not allowed an additional amount on line p-1 or line q-1.

Find more information about retirement deductions and the age 65 and older deduction at dor.sc.gov/policy.

Line r: Negative amount of federal taxable income

Because the South Carolina return begins with your federal taxable income, it is important that you get the benefit of the negative amount from the taxable income line of the federal return. On the SC1040, start with zero on line 1. Do not enter a negative amount. On line r of the SC1040, enter the negative amount from the taxable income line of the federal return. Enter as a positive number.

Line s: Subsistence allowance

Police and all commissioned law enforcement officers paid by South Carolina municipal, county, or state governments or the federal government, **full-time** firefighters, and **full-time** emergency medical service personnel are entitled to a subsistence allowance of \$8 per regular workday. Your employer should provide you with the number of work days.

Line t: Dependents under 6 years of age

A deduction is allowed for each dependent claimed on your federal Income Tax return who had **not** reached the age of 6 by December 31 of the tax year. Birth dates and SSNs are required. See worksheet below.

Worksheet for dependent under age 6		
1. South Carolina dependent exemption amount	1.	\$4,430
2. Number of dependents claimed on your 2022 federal return who had not reached age 6 during the tax year	2.	_____
3. Allowable deduction (multiply line 1 by line 2). Enter on line t .	3.	_____

Line u: Consumer protection services

An individual may deduct the costs of a monthly or annual contract or subscription for identity theft protection and resolution services. The deduction is only for individuals who filed a return with the SCDOR for a tax year between 1998 and 2012 or whose Personal Identifiable Information (PII) was included on another's return. An individual who deducted the same actual costs as a business expense may not claim the deduction.

The deduction is limited to:

- \$300 for an individual taxpayer
- \$1,000 for a married filing jointly return
- \$1,000 for a return claiming dependents

Identity theft protection includes products and services designed to prevent an incident of identity fraud or identity theft. It protects against the disclosure of your PII (for example, your SSN) by preventing a third party from using unauthorized access to your PII to obtain financial resources or other products, benefits, or services.

Identity theft resolution services include products and services designed to assist persons whose PII was obtained by a third party. This minimizes the effects of the identity fraud or identity theft incident and restores the person's identity to its pre-theft status.

Line v: Other subtractions from income

Attach an explanation of your entry on this line. Some examples of items which may be subtracted on this line are:

- You may deduct 100% of any contributions made to a Palmetto ABLE Account Expense Fund, subject to program limitations, between January 1, 2022 and December 31, 2022. For more information, visit treasurer.sc.gov.
- South Carolina does not recognize bonus depreciation in IRC Section 168(k). With or without bonus depreciation, the depreciable life of the property is the same for federal and state purposes. For the tax year the property is placed in service, a taxpayer must add back, on line e of the SC1040, the difference between the depreciation deduction allowed for federal purposes and the deduction that would have been allowed without bonus depreciation. The South Carolina adjusted basis will then be greater than the federal adjusted basis. For all other years of the depreciable life of the property, an additional depreciation deduction is available for South Carolina purposes.
- South Carolina net operating loss that is larger than the federal amount is a subtraction. The same loss can only be deducted once. Attach your own worksheet or keep with your tax records. No carryback losses are allowed.
- Legislators within a 50-mile radius of the State House are allowed to subtract travel expenses.
- Retirement income paid by the US government for service in the Reserves or National Guard is not taxed for South Carolina purposes. You may deduct the entire amount of any stipend paid by the state of South Carolina for National Guard service. Determine the percentage of your military retirement income which is excludable by dividing the length of time you served in the Reserves and/or National Guard (not full-time) by the length of time of your total military service as follows:

Worksheet for military retirement exclusion			
Inactive Reserve time			
+ Inactive National Guard time _____	=	_____ % exclusion	
Total Military time (active and inactive)			
Determine the excludable amount of your military retirement income by multiplying it by the percentage of exclusion as follows:			
_____ % exclusion	X	total taxable military retirement income shown on federal return	= excludable military retirement income to be entered on line v

- If you have adopted a special needs child, you may subtract \$2,000 per year per child as long as the adopted child qualifies as a dependent on your federal return.
A special needs child is:
 1. a person under the age of 18 at the time of adoption
 2. a dependent of a public or private non-profit adoption agency
 3. legally free for adoption
 4. determined by the agency to have specific conditions
 Attach a copy of the letter you received at the time of adoption from the SC Department of Social Services which certified the person as a special needs child.
- Subtract amounts contributed to a Catastrophe Savings Account and interest income earned by the account. If your legal residence is insured against hurricane, rising floodwaters, or other catastrophic windstorm event damage, you are allowed to contribute:
 - \$2,000 if the qualified deductible is \$1,000 or less
 - twice the qualified deductible if it is between \$1,000 and \$7,500
 - \$15,000 if the qualified deductible is more than \$7,500
 If your legal residence is not insured against hurricane, rising floodwaters, or other catastrophic windstorm event damage, the limit is \$250,000 or the value of your legal residence, whichever is less.
- If you are eligible for the Preceptor Credit on the TC-62 and you served additional rotations that exceeded the credit limit for the tax year, you may be eligible for a deduction equal to the amount that the credit would have been for the additional rotations. Refer to the TC-62, available at dor.sc.gov/forms, for information on calculating the deduction. For additional information, see SC Revenue Ruling #20-2, available at dor.sc.gov/policy.

Depending upon how a particular item was reported or deducted, the following may be additions or subtractions.

- A change in accounting method to conform in the same manner and same amount as federal. At the end of the federal adjustment, any balance will continue until fully adjusted.
- Adjust the installment method of reporting if:
 - the entire sale was reported for state purposes, or
 - the entire sale was reported for federal purposes, and you wish to continue on an installment basis for state purposes.
- Adjust the federal gain or loss to reflect any difference in the South Carolina basis and federal basis.

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

Line w: South Carolina dependent exemption

A South Carolina dependent exemption is allowed for each eligible dependent, including both qualifying children and qualifying relatives. Eligible dependents are dependents claimed on your federal Income Tax return. See worksheet below.

Worksheet for South Carolina dependent exemption	
1. South Carolina dependent exemption amount	1. <u> \$4,430 </u>
2. Number of dependents claimed on your federal return	2. <u> </u>
3. Allowable deduction (multiply line 1 by line 2). Enter on line w .	3. <u> </u>

Line 4: Total subtractions

Add line f through line w and enter the total.

South Carolina tax

Line 6: Tax on South Carolina taxable income

If your income subject to tax on line 5 is less than \$100,000, use the SC1040TT, South Carolina Individual Income Tax Tables, to determine your South Carolina tax. Enter the tax on line 6.

If your income subject to tax on line 5 is \$100,000 or more, use the tax rate schedule provided in the SC1040TT to compute your tax. Enter the tax on line 6. The SC1040TT is available at dor.sc.gov/forms.

Line 7: Tax on lump-sum distribution

South Carolina follows the federal provisions regarding lump-sum distributions. If you used the federal 4972 for a lump-sum distribution, you must use the SC4972 to compute the South Carolina tax. The SC4972 is available at dor.sc.gov/forms.

This separate tax on lump-sum distributions is in addition to the tax computed on line 6.

Do not enter the federal 10% premature early withdrawal penalty on line 7.

Line 8: Tax on active trade or business income

Enter the amount from the I-335, line 9.

Line 9: Tax on excess withdrawals from catastrophe savings accounts

Excess withdrawals from a Catastrophe Savings Account are taxed an additional 2.5% unless:

- the taxpayer no longer owns a qualifying legal residence in South Carolina
- the amount contributed was within the allowable limits, and the withdrawal occurred after the taxpayer reached age 70, or
- the withdrawal followed the death of the individual who set up the account or the surviving spouse.

Credits

Line 11: Child and Dependent Care Credit

For a full-year resident, the credit is calculated at 7% of the federal child and dependent care expense.

If you are a part-year resident or nonresident, you are not eligible for this credit if you are a resident of a state that does not offer a credit for child and dependent care expense to nonresidents of that state.

If you are an eligible part-year resident or nonresident, calculate the credit at 7% of the prorated federal expenses using your proration percentage from the Schedule NR.

The maximum credit allowed is \$210 for one child or \$420 for two or more children.

You cannot claim this credit if your filing status is Married Filing Separately.

Example A: Full-year resident

Federal child care expense from the federal 2441 is \$2,000
 $\$2,000 \times .07 = \140 (allowable credit)

Example B: Part-year resident or nonresident

Federal child care expense from the federal 2441 is \$2,000, and the proration percent from line 45 of Schedule NR is 30%.
 $\$2,000 \times .30 = \600
 $\$600 \times .07 = \42 (allowable credit)

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

Line 12: Two Wage Earner Credit

This credit is available to a married couple filing jointly when both spouses have earned income taxed to South Carolina. This credit is **not** allowed on returns with a filing status of Single, Married Filing Separately, or Head of Household.

The multiplier used in computing the Two Wage Earner Credit increases by \$3,333 each year beginning in 2018, until fully phased-in for tax year 2023. For 2022, the credit is computed at .007 of the lesser of \$46,667 or the South Carolina qualified earned income of the spouse with the lower South Carolina qualified earned income for the taxable year.

Use your South Carolina qualified earned income to calculate the credit. Compute your South Carolina qualified earned income by subtracting certain adjustments reported on your federal 1040 from your South Carolina earned income.

Adjustments to subtract are:

- deductible part of self-employment tax
- self-employment SEP, simple and qualified plans
- self-employment health insurance deduction
- IRA deduction
- repayment of sub-pay

South Carolina earned income is generally income you receive from services you provide. Compute the earned income for you and your spouse separately.

Earned income includes	Earned income does not include
wages salaries tips commissions sub-pay self-employment income business income or loss partnership income or loss farm income or loss	gambling winnings bingo winnings interest dividends Social Security benefits IRA distributions retirement plan or annuity benefits deferred compensation any amount your spouse paid you

Example: A taxpayer earned a salary taxed to South Carolina of \$40,000. The taxpayer's qualified earned income is \$40,000. Their spouse earned wages of \$17,000 taxed to South Carolina and had an IRA deduction of \$1,000. The spouse's qualified earned income is \$16,000 (\$17,000 - \$1,000). The credit is based on the spouse's qualified earned income, because it is the lesser of the two. The credit is \$112 (\$16,000 x .007).

Worksheet for Two Wage Earner Credit		
	(a) You	(b) Your spouse
1. Wages, salaries, and tips taxed to South Carolina (Do not include pensions or annuities)	_____	_____
2. Net profit or loss from self-employment (from Schedule C) and any other income taxed to South Carolina	_____	_____
3. Add line 1 and line 2. (This is your total earned income taxed to South Carolina.)	_____	_____
4. Add the adjustment amounts from your federal 1040. (See adjustments above.) If filing Schedule NR, enter amounts from Column B, lines 21, 22, 23, 26, and any repayment of supplemental unemployment benefits (sub-pay) allocable to South Carolina income.	_____	_____
5. Subtract line 4 from line 3. (This is your qualified earned income taxed to South Carolina.) If the amount in Column (a) or Column (b) is zero or less, you may not take this credit.	_____	_____
6. Enter the lesser of 5(a) or 5(b). Cannot be greater than \$46,667.	_____	_____
7. Allowable credit (multiply line 6 by .007). Enter on line 12. Cannot be greater than \$327.	_____	_____

Line 13: Other nonrefundable credits

Refer to the instructions for the SC1040TC for descriptions of the nonrefundable tax credits along with the required tax credit schedule for each credit. Most tax credits are computed on separate tax credit schedules.

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

Attach tax credit schedules for all tax credits you claim, along with the SC1040TC Worksheet and the SC1040TC, to your Income Tax return. We may disallow your tax credits if you do not attach necessary schedules to your return. Forms are available at dor.sc.gov/forms.

Tax payments and refundable credits:

Line 16: South Carolina Income Tax withheld from wages

Enter the total South Carolina tax withheld:

- from your wages and reported on your W-2s as state Income Tax, and
- by a fiduciary on your behalf and reported on your SC41s

Do not include:

- withholding paid to another state
- federal withholding paid to the IRS
- withholding from a federal 1099
- amounts reported on a South Carolina substitute 1099G/INT

Attach readable copies of your W-2s to the front of your return.

If filing an amended return, you must enter your South Carolina Income Tax withheld from wages on line 16 of your SC1040 and on line 1 of your SCH AMD.

Your employer is responsible for providing you with a W-2. If you do not have a W-2, complete the SC4852 and provide proof of tax withheld. The SC4852 is available at dor.sc.gov/forms.

Line 17: 2022 Estimated Tax payments

Enter the total Estimated Tax payments you made, including any amount transferred from your 2021 tax return. Do not include nonresident sale of real estate withholding paid on an I-290. Report it on line 19.

Line 18: Amount paid with extension

Enter the amount you paid with your extension request. Check the box on the front of the return to indicate you requested an extension of time to file your return.

Line 19: Nonresident sale of real estate

A nonresident of South Carolina who sells real property located in this state is subject to withholding of South Carolina Income Tax. The sale is reported to South Carolina on an Individual Income Tax return.

The state Income Tax withheld at the time of the sale is reported to you on an I-290 provided by the closing attorney. Enter the withholding from the I-290 and attach the form to your return.

Line 20: Other SC withholding

Enter the total South Carolina tax withheld from federal 1099s. Attach copies of all 1099s to the front of your return.

Do not include:

- withholding from a W-2
- amounts reported on a South Carolina substitute 1099G/INT
- federal withholding paid to the IRS

If filing an amended return, you must enter your Other SC withholding on line 20 of your SC1040 and on line 1 of your SCH AMD.

Line 21: Tuition tax credit

Refer to the I-319, available at dor.sc.gov/forms, to see if you qualify to claim this credit. If you qualify, complete all information on the I-319 and attach it to your return. If you have more than one qualifying student, complete a separate I-319 for each student. Attach a copy of your federal return.

Line 22: Other refundable credits

Refer to the I-333, I-334, I-360, I-361, and I-385, available at dor.sc.gov/forms, to see if you qualify to claim the credit. Attach the appropriate credit form to the SC1040.

- Enter the amount from I-333 refundable credit for Anhydrous Ammonia Additive on line 22a.
- Enter the amount from I-334 refundable credit for Production and Sale of Milk on line 22b.
- Enter the amount from I-360 refundable credit for Classroom Teacher Expenses on line 22c.
- Enter the amount from I-361 Parental Refundable Credit on line 22d.
- Enter the amount from I-385 refundable Motor Fuel Income Tax Credit on line 22e.
- Enter the total other refundable credits on line 22.

Line 23: Total payments

Add line 16 through line 22 and enter the total.

Amended return: Enter the amount from line 24 on line 30. (Do not enter amounts on line 26 through line 29.)

Example 1 (amended return)

Line 15 = 200

Line 23 = 250 (calculated on SCH AMD)

Line 24 = 50 (250 - 200)

Enter the \$50 refund amount on line 30.

Line 25: Amount due

If line 15 is larger than line 23, subtract line 23 from line 15 and enter the amount due.

Amended return: Enter the amount from line 25 on line 31. (Do not enter amounts on line 26 through line 29.)

Example 1 (amended return)

Line 15 = 200

Line 23 = <125> (negative number, calculated on SCH AMD)

Line 25 = 325 (200 - <125>)

Enter the \$325 tax due amount on line 31.

Example 2 (amended return)

Line 15 = 200

Line 23 = 125 (positive number, calculated on SCH AMD)

Line 25 = 75 (200 - 125)

Enter the \$75 tax due amount on line 31.

Line 26: South Carolina Use Tax

Use Tax is due on purchases outside of South Carolina for use, storage, or consumption in South Carolina. Use Tax is paid to the SCDOR when state Sales and Use Tax has not been collected by the seller.

You may need to pay Use Tax if you make purchases:

- from retailers online
- from out-of-state catalog companies
- from home shopping networks
- when visiting another state

The tax rate for the Use Tax is the same as the Sales Tax. The rate is determined by where the tangible personal property will be used, stored, or consumed, regardless of where the sale takes place. For more information and updated tax rates, visit dor.sc.gov/tax/use.

You have three options for reporting and paying Use Tax:

1. On line 26 of your SC1040, Individual Income Tax Return. Calculate your Use Tax using the SC Use Tax Worksheet below. No additional form or paperwork is required.
2. Online using our free, secure tax portal, MyDORWAY, at MyDORWAY.dor.sc.gov. Sign in to your existing account or create a new account to get started. No additional form or paperwork is required.
3. Mail the UT-3 with your check to: **SCDOR, Sales Taxable, PO Box 100193, Columbia, SC 29202**. Make your check payable to SCDOR. Include your name, SSN, and UT-3 in the memo. **Do not send cash.**

If you have paid your Use Tax during the year or have no Use Tax due, check the box on line 26.

Use Tax rates

The state Sales and Use Tax rate is **6% plus the applicable local Use Tax rate of the county** in which you are located or other applicable rate wherever tangible personal property was delivered. Sales of unprepared food are exempt from state Sales and Use Tax. Local taxes still apply to sales of unprepared food unless the local tax law exempts such sales.

The following are the tax rates for each county as of January 1, 2022:

- 6% - Beaufort, Georgetown, Greenville, Oconee
- 7% - Abbeville, Anderson, Dorchester, Fairfield, Greenwood, Hampton, Lexington, Newberry, Orangeburg, Pickens, Spartanburg, Union, York
- 8% - Aiken, Allendale, Bamberg, Barnwell, Berkeley, Calhoun, Cherokee, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Florence, Horry, Kershaw, Lancaster, Laurens, Lee, Marion, Marlboro, McCormick, Richland, Saluda, Sumter, Williamsburg
- 9% - Charleston, Horry-City of Myrtle Beach, Jasper

Instructions - 2022 SC1040 - South Carolina Individual Income Tax Return

Use this information to calculate line 2 of the worksheet.

Worksheet for South Carolina Use Tax				
Column A Date of purchase	Column B Name of store/com- pany/vendor	Column C Total price of purchases (includes shipping and handling, warranty costs, and Sales or Use Tax due and paid on the purchase)	Column D Sales or Use Tax due and paid to another state or local jurisdiction	Column E Amount taxable (subtract Column D from Column C)
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
		\$	\$	\$
Line 1		Total of Column C: \$	Total of Column D: \$	Total of Column E: \$
Line 2	Enter your county's state and local Sales and Use Tax rate.			%
Line 3	Multiply line 1 of Column E by the rate on line 2 of Column E			\$
Line 4	Line 1 of Column D			\$
Line 5	SC Use Tax Due. Subtract line 4 from line 3. Round to the nearest dollar. Enter on line 26 of the SC1040.			\$

Line 27: Estimated Tax

Enter the amount of your overpayment that you would like to apply to next year's tax.

Line 28: Contributions for check offs

Refer to the I-330, available at dor.sc.gov/forms, for information about the various funds to which you may contribute. Enter the total from the I-330. Attach the I-330 to your return. Your contribution cannot be made if you do not attach the I-330.

Refund or amount you owe**Line 30: Refund**

If line 29 is larger than line 24, go to line 31. Otherwise, subtract line 29 from line 24 and enter the amount to be refunded to you on line 30. We will not automatically issue a refund under \$5. However, upon notification we can release the refund.

You are required to mark your refund choice on line 35.**Line 31: Net tax**

Add line 25 and line 29.

Line 32: Late filing and late payment penalties and interest

If you calculated failure to file or failure to pay penalties and interest, enter in the appropriate blanks and put the total of both on line 32.

A failure to file penalty is charged for failing to file a tax return on or before its due date, considering any extension of time for filing. The penalty is 5% of the tax amount if the failure is for not more than one month, with an additional 5% for each additional month or fraction of a month the failure continues, not to exceed 25% in total.

A failure to pay penalty is charged for failing to pay the tax on any return on or before its due date. The penalty is 0.5% of the tax if the failure is for not more than one month, with an additional 0.5% for each additional month or fraction of a month the failure continues, not to exceed 25% in total.

Any unpaid portion of the final tax due will accrue interest at the prevailing federal rates. This amount is computed from the original due date of the tax return to the date of the payment.

Find a Penalty and Interest Calculator on our free online tax portal, MyDORWAY, at dor.sc.gov/calculator.

Line 33: Underpayment of Estimated Tax penalty

You may owe a penalty for underpayment if you did not pay in the lesser of 90% of your tax liability for 2022 or 100% of your liability for 2021 in four equal amounts by the required dates.

If your adjusted gross income is \$150,000 or more, the 100% rule is modified to be 110% of the tax shown on your 2021 Income Tax return. Refer to the SC2210, available at dor.sc.gov/forms, to calculate any penalty that may be due.

Exceptions to the underpayment of Estimated Tax:

- Enter an **A** in the box if you completed federal Schedule AI-Annualized Income Installment Method for South Carolina purposes when determining the amount to enter on line 33.
- Enter an **F** in the box if you are a farmer or fisherman who receives at least two-thirds of your gross income for the year from farming and fishing and you pay your tax due by March 1, 2023.
- Enter a **W** if you are requesting a waiver of your entire penalty. See the SC2210 instructions, available at dor.sc.gov/forms, for information on what qualifies for a waiver of penalty.

Calculate your penalty for underpayment and enter the amount on line 33. If you are due a refund, subtract the penalty amount from the difference of line 24 and line 29 and enter the result on line 30. Attach the SC2210 to your tax return when using an exception to waive the penalty.

Line 34: Balance due

Add line 31 through line 33 and enter the total on line 34. This is the amount you owe.

If you owe \$15,000 or more in connection with any SCDOR return, you must pay electronically according to SC Code Sections 12-54-250 and 12-54-210.

Line 35: Refund options (select one) Direct deposit is fast and safe!

You can receive your refund by direct deposit, debit card, or paper check. Mark an **X** in one box to indicate your choice.

- **Direct deposit** - The SCDOR deposits your funds into your bank account. This is the fastest, easiest option for most filers. Enter your bank information on line 37.
- **Debit card** - Your funds are loaded onto a Bank of America debit card. The card is subject to Bank of America program limitations. See the Bank of America disclosure information at the end of these instructions for more information.
- **Paper check** - The SCDOR can mail you a paper check to the address provided on your return. To avoid delays, make sure the address on your return is correct. This is the slowest, least secure way to receive your funds.

Line 36: Payment options (select one) Paying electronically is quick and easy!

You can pay your balance using our free online tax portal, MyDORWAY, or by using ACH Debit. Mark an **X** in one box to indicate your choice.

- **MyDORWAY** - The quickest, easiest way to pay is using our free online tax portal, MyDORWAY, at dor.sc.gov/pay. Select **Individual Income Tax Payment** to get started. Choose the 31-Dec-2022 filing period.
- **ACH Debit** - Pay electronically by ACH Debit when you file your return. Enter your payment withdrawal date and payment withdrawal amount on line 36. Enter your bank information on line 37. The SCDOR will make a request to your bank for payment of the South Carolina taxes you owe. Your bank will automatically debit your account for the requested funds. No further action is needed on your part!

Line 37: Bank information

You must enter complete and correct account information. If you are requesting direct deposit of your refund and your account information is not complete and correct, we will mail a paper check to the address listed on your return. If you are making a payment by ACH Debit, the withdrawal of the funds will not be successful if your account information is not complete and correct.

You cannot have your funds directly deposited into an account located outside the United States or an ACH Debit withdrawn from an account located outside the United States.

Enter your account information.

1. Mark an **X** to choose checking or savings account.
2. Enter your 9 digit routing transit number (RTN). The RTN should begin with 01 through 12 or 21 through 32. Do not use a deposit slip to verify the RTN.
3. Enter your bank account number (BAN). The BAN contains 17 or fewer alphanumeric digits. Enter the BAN from left to right. Do not enter hyphens, spaces, special symbols, or the check number.

Sign and date your return

You must sign your return. If your filing status is Married Filing Jointly, both spouses must sign.

The return for a deceased taxpayer must be signed by a surviving spouse, an executor, or an administrator. If you are signing as a surviving spouse, write **filing as surviving spouse** by your signature.

If signing as a personal representative, sign in your official capacity and attach a completed SC1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, available at dor.sc.gov/forms.

Any refund check will be issued to the decedent's surviving spouse or estate.

Authorization

The signature section of the return contains a **check the box** authorization for release of confidential information. A check in the **yes** box authorizes the Director of the SCDOR or delegate to discuss the return; its attachments; and any notices, adjustments, or assessments with the preparer.

If a person is paid to prepare the Income Tax return, their signature and Preparer Tax Identification Number (PTIN) or Federal Employer Identification Number (FEIN) are required in the spaces provided. Penalties are applicable for failure to comply.

Reminders

Filing online is faster and more accurate.

- You may qualify to file online or submit your return electronically for free. Even if you don't qualify for free filing options, we recommend you file electronically - It's our fastest, easiest, and safest option. Visit dor.sc.gov/iit-filing to learn more about your options.

Getting a refund? Direct deposit is fast, accurate, and secure!

- With direct deposit, you:
 - get your refund sooner.
 - help save tax dollars.
 - receive your refund in a fast, accurate, and secure way.
 - get your refund deposited directly into your bank account, giving you the fastest access to your refund.

Have a balance due? Pay electronically! It's fast and easy!

- Paying online is quick and easy! Use our free and secure tax portal, MyDORWAY, at dor.sc.gov/pay to make your payment. Select **Individual Income Tax Payment** to get started. Choose the 31-Dec-2022 filing period.
- On MyDORWAY, you can pay by credit card or from your bank account.
- Pay electronically by ACH Debit when you file your return. Enter your bank information on line 37.
 - The SCDOR will make a request to your bank for payment of the South Carolina taxes you owe.
 - Your bank will automatically debit your account for the requested funds. No further action is needed on your part!

Review your return.

- Attach a complete copy of your federal return if you filed federal schedules A, C, D, E, or F, or filed a SCH NR, SC1040TC, I-319, or I-335 with your South Carolina return.
- Make sure you received all of your W-2s and other tax documents.
- Verify all SSNs on your return.
- Double check your name, address, and all math calculations.
- Be sure your return is signed.
- Make a copy of your complete return for your records.

Before you file your return

- Attach all W-2s and 1099s with South Carolina withholding.
- If you aren't paying online at dor.sc.gov/pay, mail your SC1040, Individual Income Tax Return, with payment attached to the proper address.

COUNTY CODES					
COUNTY	CODE	COUNTY	CODE	COUNTY	CODE
Abbeville.....	01	Dillon.....	17	McCormick.....	33
Aiken.....	02	Dorchester.....	18	Marion.....	34
Allendale.....	03	Edgefield.....	19	Marlboro.....	35
Anderson.....	04	Fairfield.....	20	Newberry.....	36
Bamberg.....	05	Florence.....	21	Oconee.....	37
Barnwell.....	06	Georgetown.....	22	Orangeburg.....	38
Beaufort.....	07	Greenville.....	23	Pickens.....	39
Berkeley.....	08	Greenwood.....	24	Richland.....	40
Calhoun.....	09	Hampton.....	25	Saluda.....	41
Charleston.....	10	Horry.....	26	Spartanburg.....	42
Cherokee.....	11	Jasper.....	27	Sumter.....	43
Chester.....	12	Kershaw.....	28	Union.....	44
Chesterfield.....	13	Lancaster.....	29	Williamsburg.....	45
Clarendon.....	14	Laurens.....	30	York.....	46
Colleton.....	15	Lee.....	31		
Darlington.....	16	Lexington.....	32		
APO/FPO Addresses.....					99
Outside of South Carolina.....					99
Outside of United States.....					88

South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card Fee Disclosure and Other Important Disclosures*

You do not have to receive your payments on this benefits card. Ask the benefits office about other ways to receive your benefits.			
Monthly fee	Per purchase	ATM withdrawal	Cash reload
\$0	\$0	\$0 in-network \$2.00** out-of-network	N/A
ATM balance inquiry			\$0
Customer service			\$0 per call
Inactivity			\$0
We charge 9 other types of fees. Here are some of them:			
Replacement card, express delivery			\$15.00
Replacement card, international			\$15.00
*This document entitled 'Fee Disclosure and Other Important Disclosures' is included with, and incorporated in, the South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card Account Agreement.			
** Fees can be lower depending on how and where this card is used.			
See the materials you received with your card for free ways to access your funds and balance information.			
No overdraft/credit feature.			
Your funds are eligible for FDIC insurance.			
For more information about prepaid cards, visit cfpb.gov/prepaid .			
Find details and conditions for all fees and services in the cardholder agreement.			
The South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card is issued by Bank of America. There is no fee to purchase or activate this card.			

Rev 1/19

DPP-047818



List of all fees for South Carolina Department of Revenue Income Tax Refund Prepaid Debit Card

All fees	Amount	Details
Spend money		
Per purchase with PIN	\$0	
Per purchase with signature	\$0	
Get cash in the U.S.		
ATM withdrawal, in-network	\$0	"In Network" refers to Bank of America ATMs. Locations can be found at www.bankofamerica.com/screfund . You will not be charged a fee by Bank of America.
ATM withdrawal, out-of-network	\$2.00	"Out of Network" refers to all the ATMs outside of Bank of America ATMs. You may also be charged a fee by the ATM operator even if you do not complete a transaction.*
Bank teller cash withdrawal	\$5.00	You will be charged this fee after 1 free after each deposit. Available at financial institutions that accept Visa cards. Limited to available balance only.
Emergency cash transfer, domestic	\$15.00	All emergency cash transfers must be initiated through the Prepaid Debit Card Customer Service Center.
Information		
Customer service	\$0	
Online account information	\$0	
ATM balance inquiry	\$0	
Using your card outside the U.S.		
Each international transaction	2%	Of total U.S. dollar amount of transaction
International ATM withdrawal	\$2.50	This is our fee. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$5.00	You will be charged this fee after 1 free after each deposit. Available at financial institutions that accept Visa cards. Limited to available balance only.
Emergency cash transfer, outside the U.S.	\$30.00	All emergency cash transfers must be initiated through the Prepaid Debit Card Customer Service Center
Other		
Online funds transfer	\$0	
Replacement card, domestic	\$5.00	You will be charged this fee after 1 free replacement
Replacement card, express delivery	\$15.00	Additional charge per request
Replacement card, international	\$15.00	Additional charge per request
Inactive account	\$0	
Paper check fee	\$5.00	

* ATM owners may impose an additional "convenience fee" or "surcharge fee" for certain ATM transactions (a sign should be posted at the ATM to indicate additional fees); however, you will not be charged any additional convenience fee or surcharge fee at a Bank of America ATM. A Bank of America ATM means an ATM that prominently displays the Bank of America name and logo.

Your funds are eligible for FDIC insurance. Your funds are insured up to \$250,000 by the FDIC in the event Bank of America, N.A. fails, if specific deposit insurance requirements are met. See fdic.gov/deposit/deposits/prepaid.html for details.

No overdraft/credit feature.

Contact Bank of America by calling 1.866.472.4959, 1.866.656.5913 (TTY), or 1.423.262.1650 (Collect, when calling outside the U.S.), by mail at Bank of America, P.O. Box 8488, Gray, TN 37615-8488, or visit www.bankofamerica.com/screfund.

For general information about prepaid accounts, visit cfpb.gov/prepaid.

If you have a complaint about a prepaid account, call the Consumer Financial Protection Bureau at 1.855.411.2372 or visit cfpb.gov/complaint.

 To learn about Bank of America's environmental goals and initiatives, go to bankofamerica.com/environment.



2022 INDIVIDUAL INCOME TAX RETURN

Your Social Security Number 	Check if deceased <input type="checkbox"/>
Spouse's Social Security Number 	Check if deceased <input type="checkbox"/>

For the year January 1 - December 31, 2022, or fiscal tax year beginning _____, 2022 and ending _____, 2023

First name and middle initial	Last name		Suffix
Spouse's first name, if married filing jointly	Last name		Suffix
Check if new address <input type="checkbox"/>	Mailing address (number and street, PO Box)		County code
City	State	ZIP	Daytime phone number with area code
Check if address is outside US <input type="checkbox"/>	Foreign country address including postal code		

- **Amended Return:** Check if this is an Amended Return. (Attach Schedule AMD)
 - Check this box if you are a part-year or nonresident filing an SC Schedule NR
 - Check this box only if you are filing a composite return on behalf of a Partnership or S Corporation. Do not check this box if you are an individual
 - Check this box if you have filed a federal or state extension.
 - Check this box if you served in a military combat zone during the filing period
- Name of the combat zone: _____

CHECK YOUR FEDERAL FILING STATUS	(1) <input type="checkbox"/> Single	(3) <input type="checkbox"/> Married filing separately - enter spouse's SSN: _____
	(2) <input type="checkbox"/> Married filing jointly	(4) <input type="checkbox"/> Head of household (5) <input type="checkbox"/> Qualifying widow(er)

Number of dependents claimed on your 2022 federal return

Number of dependents claimed that were under the age of 6 years as of December 31, 2022

Number of taxpayers age 65 or older as of December 31, 2022

DEPENDENTS

First name	Last name	Social Security Number	Relationship	Date of birth (MM/DD/YYYY)



INCOME AND ADJUSTMENTS

Your SSN _____

2022

1 Enter federal taxable income from your federal form. If zero or less, enter zero here Nonresident filers: complete Schedule NR and enter total from line 48 on line 5 below ▶	1	Dollars	00
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------	----------------	-----------

ADDITIONS TO FEDERAL TAXABLE INCOME

a State tax addback, if itemizing on federal return (see instructions) ▶	a	00	
b Out-of-state losses Type: _____ ▶	b	00	
c Expenses related to National Guard and Military Reserve Income ▶	c	00	
d Interest income on obligations of states and political subdivisions other than South Carolina ▶	d	00	
e Other additions to income (attach explanation - see instructions) ▶	e	00	
2 Total additions (add line a through line e) ▶	2		00
3 Add line 1 and line 2 and enter the total here ▶	3		00

SUBTRACTIONS FROM FEDERAL TAXABLE INCOME

f State tax refund, if included on your federal return ▶	f	00	
g Total and permanent disability retirement income, if taxed on your federal return ▶	g	00	
h Out-of-state income/gain (do not include personal service income) Check type of income/gain: <input type="checkbox"/> Rental <input type="checkbox"/> Business <input type="checkbox"/> Other _____ ▶	h	00	
i 44% of net capital gains held for more than one year ▶	i	00	
j Volunteer deductions (see instructions) Type: _____ ▶	j	00	
k Contributions to the SC College Investment Program (Future Scholar) or the SC Tuition Prepayment Program ▶	k	00	
l Active Trade or Business Income deduction (see instructions) ▶	l	00	
m Interest income from obligations of the US government ▶	m	00	
n Certain nontaxable National Guard or Reserve pay ▶	n	00	
o Social Security and/or railroad retirement, if taxed on your federal return . . ▶	o	00	
p Retirement Deduction (see instructions)			
p-1 Taxpayer (date of birth: _____) ▶	p-1	00	
p-2 Spouse (date of birth: _____) ▶	p-2	00	
p-3 Surviving spouse (date of birth of deceased spouse: _____) ▶	p-3	00	
Military Retirement Deduction (see instructions)			
p-4 Taxpayer (date of birth: _____) ▶	p-4	00	
p-5 Spouse (date of birth: _____) ▶	p-5	00	
p-6 Surviving spouse (date of birth of deceased spouse: _____) ▶	p-6	00	
q Age 65 and older deduction (see instructions)			
q-1 Taxpayer (date of birth: _____) ▶	q-1	00	
q-2 Spouse (date of birth: _____) ▶	q-2	00	
r Negative amount of federal taxable income ▶	r	00	
s Subsistence allowance (multiply _____ days by \$8) ▶	s	00	
t Dependents under the age of 6 years on December 31 of the tax year . . . ▶	t	00	
u Consumer Protection Services ▶	u	00	
v Other subtractions (see instructions) ▶	v	00	
w South Carolina Dependent Exemption (see instructions) ▶	w	00	
4 Total subtractions (add line f through line w) ▶	4	<	00 >
5 Residents: subtract line 4 from line 3 and enter the difference. Nonresidents: enter amount from Schedule NR, line 48. If less than zero, enter zero here. This is your SOUTH CAROLINA INCOME SUBJECT TO TAX ▶	5		00
6 TAX on your South Carolina Income Subject to Tax (see SC1040TT) ▶	6	00	
7 TAX on Lump Sum Distribution (attach SC4972) ▶	7	00	
8 TAX on Active Trade or Business Income (attach I-335) ▶	8	00	
9 TAX on excess withdrawals from Catastrophe Savings Accounts ▶	9	00	
10 Add line 6 through line 9 and enter the total here. This is your TOTAL SOUTH CAROLINA TAX ▶	10		00



Your SSN _____

NON-REFUNDABLE CREDITS

11 Child and Dependent Care (see instructions)	▶	11		00
12 Two Wage Earner Credit (see instructions)	▶	12		00
13 Other nonrefundable credits. Attach SC1040TC and other state returns	▶	13		00
14 Total nonrefundable credits (add line 11 through line 13)		14		00
15 Subtract line 14 from line 10 and enter the difference. If less than zero, enter zero here		15		00

PAYMENTS AND REFUNDABLE CREDITS

16 SC income tax withheld (attach W-2 or SC41)	▶	16		00
17 2022 Estimated Tax payments	▶	17		00
18 Amount paid with extension	▶	18		00
19 Nonresident sale of real estate (paid on I-290)	▶	19		00
20 Other SC withholding (attach 1099)	▶	20		00
21 Tuition tax credit (attach I-319)	▶	21		00
22 Other refundable credits:				
22a Anhydrous Ammonia (attach I-333)	▶	22a		00
22b Milk Credit (attach I-334)	▶	22b		00
22c Classroom Teacher Expenses (attach I-360)	▶	22c		00
22d Parental Refundable Credit (attach I-361)	▶	22d		00
22e Motor Fuel Income Tax Credit (attach I-385)	▶	22e		00
Total refundable credits (add line 22a through line 22e)	▶	22		00

AMENDED RETURN: Use Schedule AMD for line 23 calculation.

23 Add line 16 through line 22 and enter the total here	▶	23		00
24 If line 23 is larger than line 15, subtract line 15 from line 23 and enter the overpayment		24		00
25 If line 15 is larger than line 23, subtract line 23 from line 15 and enter the amount due		25		00

AMENDED RETURN: Enter the amount from line 24 on line 30. Enter the amount from line 25 on line 31.

26 USE TAX due on online, mail-order, or out-of-state purchases	▶	26		00
Use Tax is based on your county's Sales Tax rate. See instructions for more information. If you certify that no Use Tax is due, check here <input type="checkbox"/>				
27 Amount of line 24 to be credited to your 2023 Estimated Tax	▶	27		00
28 Total Contributions for Check-offs (attach I-330)	▶	28		00
29 Add line 26 through line 28 and enter the total here		29		00
30 If line 29 is larger than line 24, go to line 31. Otherwise, subtract line 29 from line 24 and enter the amount to be refunded to you (line 35 check box entry is required)	▶	30		00
31 Add line 25 and line 29. If line 29 is larger than line 24, subtract line 24 from line 29, enter the total. This is your tax due		31		00
32 Late filing and/or late payment: Penalties _____ Interest _____	▶	32		00
Enter total here				
33 Penalty for Underpayment of Estimated Tax (attach SC2210)		33		00
Enter exception code from instructions here if applicable _____				
34 Add line 31 through line 33 and enter your balance due (select payment option on line 36)	▶	34		00

REFUND OPTIONS Getting a refund? **Direct deposit is fast, accurate, and secure!**

35 Select one: Direct Deposit (line 37 required) (for US accounts only) Debit Card Paper Check

PAYMENT OPTIONS Have a balance due? **Pay electronically! It's quick and easy!**

36 Select one: MyDORWAY (pay at dor.sc.gov/pay) ACH Debit (enter your US bank information on line 37)
For payments only: Withdrawal Date Withdrawal Amount 00

37 Type of Account: Checking Savings
Routing Number (RTN) Must be 9 digits. The first two numbers of the RTN must be 01 through 32. Bank Account Number (BAN) 1-17 digits

I declare that this return and all attachments are true, correct, and complete to the best of my knowledge. If prepared by a person other than the taxpayer, this declaration is based on all information of which the preparer has any knowledge.

Your signature	Date	Spouse's signature (if married filing jointly, BOTH must sign)	
I authorize the Director of the SCDOR or delegate to discuss this return, attachments, and related tax matters with the preparer. Yes <input type="checkbox"/> No <input type="checkbox"/>		Preparer's printed name	
Paid Preparer's Use Only	Preparer signature	Date	Check if self-employed <input type="checkbox"/> PTIN
	Firm name (or yours if self-employed), address, ZIP		FEIN
			Phone

MAIL TO: REFUNDS OR ZERO TAX: SC1040 Processing Center, PO Box 101100, Columbia, SC 29211-0100
BALANCE DUE: Taxable Processing Center, PO Box 101105, Columbia, SC 29211-0105

30753222

2022 South Carolina Individual Income Tax Tables (Revised 10/4/22)

If your taxable income is:			If your taxable income is:			If your taxable income is:			If your taxable income is:			If your taxable income is:		
At least	But less than	Your tax is:	At least	But less than	Your tax is:	At least	But less than	Your tax is:	At least	But less than	Your tax is:	At least	But less than	Your tax is:
83,000			87,000			91,000			95,000			99,000		
83,000	83,100	\$4,740	87,000	87,100	\$5,000	91,000	91,100	\$5,260	95,000	95,100	\$5,520	99,000	99,100	\$5,780
83,100	83,200	\$4,747	87,100	87,200	\$5,007	91,100	91,200	\$5,267	95,100	95,200	\$5,527	99,100	99,200	\$5,787
83,200	83,300	\$4,753	87,200	87,300	\$5,013	91,200	91,300	\$5,273	95,200	95,300	\$5,533	99,200	99,300	\$5,793
83,300	83,400	\$4,760	87,300	87,400	\$5,020	91,300	91,400	\$5,280	95,300	95,400	\$5,540	99,300	99,400	\$5,800
83,400	83,500	\$4,766	87,400	87,500	\$5,026	91,400	91,500	\$5,286	95,400	95,500	\$5,546	99,400	99,500	\$5,806
83,500	83,600	\$4,773	87,500	87,600	\$5,033	91,500	91,600	\$5,293	95,500	95,600	\$5,553	99,500	99,600	\$5,813
83,600	83,700	\$4,779	87,600	87,700	\$5,039	91,600	91,700	\$5,299	95,600	95,700	\$5,559	99,600	99,700	\$5,819
83,700	83,800	\$4,786	87,700	87,800	\$5,046	91,700	91,800	\$5,306	95,700	95,800	\$5,566	99,700	99,800	\$5,826
83,800	83,900	\$4,792	87,800	87,900	\$5,052	91,800	91,900	\$5,312	95,800	95,900	\$5,572	99,800	99,900	\$5,832
83,900	84,000	\$4,799	87,900	88,000	\$5,059	91,900	92,000	\$5,319	95,900	96,000	\$5,579	99,900	100,000	\$5,839
84,000	84,100	\$4,805	88,000	88,100	\$5,065	92,000	92,100	\$5,325	96,000	96,100	\$5,585	\$100,000 or more: Use the tax rate schedule below		
84,100	84,200	\$4,812	88,100	88,200	\$5,072	92,100	92,200	\$5,332	96,100	96,200	\$5,592			
84,200	84,300	\$4,818	88,200	88,300	\$5,078	92,200	92,300	\$5,338	96,200	96,300	\$5,598			
84,300	84,400	\$4,825	88,300	88,400	\$5,085	92,300	92,400	\$5,345	96,300	96,400	\$5,605			
84,400	84,500	\$4,831	88,400	88,500	\$5,091	92,400	92,500	\$5,351	96,400	96,500	\$5,611			
84,500	84,600	\$4,838	88,500	88,600	\$5,098	92,500	92,600	\$5,358	96,500	96,600	\$5,618			
84,600	84,700	\$4,844	88,600	88,700	\$5,104	92,600	92,700	\$5,364	96,600	96,700	\$5,624			
84,700	84,800	\$4,851	88,700	88,800	\$5,111	92,700	92,800	\$5,371	96,700	96,800	\$5,631			
84,800	84,900	\$4,857	88,800	88,900	\$5,117	92,800	92,900	\$5,377	96,800	96,900	\$5,637			
84,900	85,000	\$4,864	88,900	89,000	\$5,124	92,900	93,000	\$5,384	96,900	97,000	\$5,644			
85,000			89,000			93,000			97,000					
85,000	85,100	\$4,870	89,000	89,100	\$5,130	93,000	93,100	\$5,390	97,000	97,100	\$5,650			
85,100	85,200	\$4,877	89,100	89,200	\$5,137	93,100	93,200	\$5,397	97,100	97,200	\$5,657			
85,200	85,300	\$4,883	89,200	89,300	\$5,143	93,200	93,300	\$5,403	97,200	97,300	\$5,663			
85,300	85,400	\$4,890	89,300	89,400	\$5,150	93,300	93,400	\$5,410	97,300	97,400	\$5,670			
85,400	85,500	\$4,896	89,400	89,500	\$5,156	93,400	93,500	\$5,416	97,400	97,500	\$5,676			
85,500	85,600	\$4,903	89,500	89,600	\$5,163	93,500	93,600	\$5,423	97,500	97,600	\$5,683			
85,600	85,700	\$4,909	89,600	89,700	\$5,169	93,600	93,700	\$5,429	97,600	97,700	\$5,689			
85,700	85,800	\$4,916	89,700	89,800	\$5,176	93,700	93,800	\$5,436	97,700	97,800	\$5,696			
85,800	85,900	\$4,922	89,800	89,900	\$5,182	93,800	93,900	\$5,442	97,800	97,900	\$5,702			
85,900	86,000	\$4,929	89,900	90,000	\$5,189	93,900	94,000	\$5,449	97,900	98,000	\$5,709			
86,000	86,100	\$4,935	90,000	90,100	\$5,195	94,000	94,100	\$5,455	98,000	98,100	\$5,715			
86,100	86,200	\$4,942	90,100	90,200	\$5,202	94,100	94,200	\$5,462	98,100	98,200	\$5,722			
86,200	86,300	\$4,948	90,200	90,300	\$5,208	94,200	94,300	\$5,468	98,200	98,300	\$5,728			
86,300	86,400	\$4,955	90,300	90,400	\$5,215	94,300	94,400	\$5,475	98,300	98,400	\$5,735			
86,400	86,500	\$4,961	90,400	90,500	\$5,221	94,400	94,500	\$5,481	98,400	98,500	\$5,741			
86,500	86,600	\$4,968	90,500	90,600	\$5,228	94,500	94,600	\$5,488	98,500	98,600	\$5,748			
86,600	86,700	\$4,974	90,600	90,700	\$5,234	94,600	94,700	\$5,494	98,600	98,700	\$5,754			
86,700	86,800	\$4,981	90,700	90,800	\$5,241	94,700	94,800	\$5,501	98,700	98,800	\$5,761			
86,800	86,900	\$4,987	90,800	90,900	\$5,247	94,800	94,900	\$5,507	98,800	98,900	\$5,767			
86,900	87,000	\$4,994	90,900	91,000	\$5,254	94,900	95,000	\$5,514	98,900	99,000	\$5,774			

2022 Tax Rate Schedule for taxable income of \$100,000 or more

Important: You must use the Tax Tables instead of this Tax Rate Schedule if your taxable income is less than \$100,000.

Use this Tax Rate Schedule for any filing status claimed on the SC1040.

If the amount on SC1040, line 5 is **\$100,000 or more:**

1. Multiply the amount on line 5 by 6.5%;
2. Subtract \$658; and
3. Enter the difference on line 6.

Example of Tax Rate Schedule Computation:

If South Carolina income subject to tax on SC1040, line 5 is \$101,000, the tax is calculated as follows:

\$101,000.00	Income from SC1040, line 5
X .065	(6.5%)
<hr/>	
\$6,565	
- \$658	subtract \$658 (constant)
<hr/>	
\$5,907	amount of tax, entered on line 6 of SC1040