



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**RESIDENTIAL RETROFIT
CREDIT**
Attach to your Income Tax Return

Names As Shown On Tax Return

SS No.

Part I Credit Computation for Residential Retrofit Expenses

1. Qualifying expenses (See Instructions).....	1. \$ _____
2. 25%.....	2. <u>0.25</u>
3. Maximum credit amount. Multiply line 1 by line 2.....	3. \$ _____
4. Credit limit	4. \$ <u>1,000</u>
5. Enter the smaller of lines 3 and 4	5. \$ _____

Part II Credit Computation for Sales and Use Taxes

6. Purchase price of tangible personal property included in line 1 above.....	6. \$ _____
7. 6%	7. <u>0.06</u>
8. Maximum credit amount. Multiply line 6 by line 7.....	8. \$ _____
9. South Carolina sales and/or use tax paid on property included in line 6 above	9. \$ _____
10. Enter smaller of lines 8 and 9	10. \$ _____
11. Credit limit	11. \$ <u>1,500</u>
12. Enter the smaller of lines 10 and 11.....	12. \$ _____

Combined Credits

13. Add lines 5 and 12.....	13. \$ _____
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General Information

For tax years beginning after December 31, 2006, an individual taxpayer is allowed an individual income tax credit for costs incurred to retrofit a structure qualifying as the taxpayer's legal residence to make it more resistant to loss due to hurricane, rising floodwater, or other catastrophic windstorm event. Qualifying costs are limited to costs associated with fortification measures that increase the residence's resistance to hurricane, rising floodwater, or catastrophic windstorm event damage. They do not include the cost of ordinary repair or replacement of existing items that do not increase a residence's resistance to hurricane, rising floodwater, or catastrophic windstorm event damage as defined by the Director of Insurance or his designee by regulation. The allowable credit is the lesser of 25% of the cost incurred or \$1,000.

Also for tax years beginning after December 31, 2006, an individual taxpayer is allowed an individual income tax credit for South Carolina state sales or use taxes paid on purchases of tangible personal property that qualify for the residential retrofit credit. The allowable credit is the lesser of 6% of the purchase price of tangible personal property qualifying for residential retrofit credit or \$1,500.

The cost of items purchased with grant funds awarded by the South Carolina Hurricane Damage Mitigation Program are not eligible for either credit unless the grant funds are included in the income of the taxpayer.

Regulation 69-75 defines "fortification measures" and incorporates the standards contained in the South Carolina Safe Home Resource Document for Mitigation Techniques, available at <http://doi.sc.gov>. The Department of Insurance will review and update the manual to comply with changes in building code standards, mitigation measures, or other applicable provisions of law.

All products are required to have an ICC Evaluation Services Legacy Report or other appropriate test reports acceptable to the local building officials for the intended use. All products may not qualify in all areas. You must use products and installation procedures deemed acceptable to the local building officials.

An individual taxpayer claiming the credit must maintain evidence that the fortification measures were implemented and costs incurred, and must provide evidence when requested by the Department of Revenue to prove the taxpayer is entitled to the credit. Acceptable forms of evidence include: (1) A written Certification (or Report that includes a Certification) from a licensed professional with expertise in construction techniques, building design or property inspection, or appraisal (such as an architect, appraiser, building inspector, or contractor) that the fortification measure has been implemented in accordance with applicable standards; or (2) an Affidavit from the individual taxpayer certifying that the fortification measures have been implemented. Copies of the applicable receipts must be included with the Certification, Report, or Affidavit.

For more information, go to <http://doi.sc.gov>, email scahome@doi.sc.gov, or call (803) 737-6180 or toll-free at (800) 768-3467 (only in South Carolina).

Line Instructions

PART I - Credit Computation for Residential Retrofit Expenses

1. Qualifying expenses include costs incurred by you to retrofit your legal residence in South Carolina to make it more resistant to loss due to hurricane, rising floodwater, or other catastrophic windstorm event. Include only costs associated with fortification measures that increase the residence's resistance to hurricane, rising floodwater, or catastrophic windstorm event damage. Do not include the cost of ordinary repair or replacement of existing items. Do not include the cost of items purchased with grant funds from the South Carolina Hurricane Damage Mitigation Program unless those funds are included in your income.
2. The credit is limited to 25% of qualifying expenses.
4. The credit is limited to \$1,000.

PART II - Credit Computation for Sales and Use Taxes

6. Enter the purchase price of tangible personal property included in qualifying expenses in line 1 above.
7. The credit for sales and use taxes is limited to 6% of the purchase price of qualifying tangible personal property.
9. The credit is limited to actual sales and/or use taxes paid.
11. The credit is limited to \$1,500.

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 SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

The Family Privacy Protection Act

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