

**SPRINKLER SYSTEM CREDIT**

Attach to your Income Tax Return

Name As Shown on Tax Return

Complete these questions to determine eligibility:

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. Does your county or other local taxing entity allow a credit for the tax year for installing a sprinkler system? | <input type="checkbox"/> | <input type="checkbox"/> |
| If the answer is No, STOP . You do not qualify for this credit. | | |
| 2. Name of county or other local taxing entity allowing this credit: _____ | | |
| 3. Amount of credit allowed by county or other local taxing entity:
Enter this amount on the appropriate tax credit schedule. | 3. \$ _____ | .00 |

General Instructions

Effective for tax years beginning after 2007, a local taxing entity may allow a credit against real property taxes equal to 25% of the direct expenses incurred by the taxpayer in installing a fire sprinkler system in a commercial or residential structure, whether the structure or fire sprinkler is new or existing. A qualifying fire sprinkler system must meet the requirements of Code Section 40-10-20. The direct expenses of installing the system do not include any type of fee charged by a publicly or privately owned utility. A publicly or privately owned utility may not impose a tap fee, or other fee, or a recurring maintenance fee of any nature or however described for the installation and maintenance of a fire sprinkler system that exceeds the actual costs associated with the water line to the system. The credit is not allowed if installation of a sprinkler system is required by law, regulation or code. Submit this form along with any real property taxes owed to your local taxing entity to claim a credit against real property taxes.

For any year that the local taxing entity allows a sprinkler system property tax credit, you also may claim an income tax credit of the same amount. An 'S' corporation owing corporate income tax must use the income tax credit first at the entity level and pass through any remaining credit to each shareholder in the same percentage as the shareholder's stock ownership. A general partnership, limited partnership, limited liability company, or any other entity taxed as a partnership must pass the credit through to its partners and may allocate the credit among any of its partners, including without limitation, the entire credit to one partner, in a manner agreed by the partners that is consistent with Subchapter K of the Internal Revenue Code. Use this same form to claim the credit against income taxes.

The owner of the structure may transfer, devise or distribute any unused credit to a tenant of the eligible site, but the local taxing entity must receive written notice of the transfer before the tenant may claim the credit.

Attach a copy of the local taxing entity's certification if filing a paper return; or keep the certification with your records if filing electronically.

Social Security Privacy Act Disclosure

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

The Family Privacy Protection Act

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

The Credit Claim and Certification Form on the Next Page Must Be Completed by the County or Local Taxing Entity on Official Letterhead and Attached to Your Income Tax Return.

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STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

SPRINKLER SYSTEM CREDIT CLAIM AND CERTIFICATION FORM
(must be completed by the auditor of the county or other local taxing entity on official letterhead)

SC SCH. TC-52C

(Rev. 10/14/08)

3466

20 _____

SS No. or Fed. EI No.

Name as Shown on Tax Return

1. Taxpayer name: _____

2. Property address: _____
Street Address Apartment Number

City County State ZIP Code

3. TMS (Tax Map System) No: _____

Determination of eligibility:

Yes No

4. Was the installation of the sprinkler system required by law, regulation or code?
If **Yes, STOP**. The taxpayer does not qualify for the credit.

5. Does the sprinkler system meet the definition in Code Section 40-10-20?
If **No, STOP**. The taxpayer does not qualify for the credit.

6. Type of documentation reviewed:
Work Order _____
Invoice _____
Request for Transfer to Tenant _____
Enter Tenant's Name and Tax ID No. Attach list if more than one tenant.

Credit calculation

7. Expenses incurred by taxpayer in installing the sprinkler system (see TC-52 instructions)..... 7. \$ _____

8. Allowable percentage 8. X 25% (0.25)

9. Line 7 multiplied by line 8 9. \$ _____
Enter this amount on the appropriate tax credit schedule.

I hereby certify that the county or local taxing entity has voted to allow the credit for the tax year, and that I have reviewed the documentation referenced above and have found it to be valid. The total allowable credit is as stated.

Name of Auditor

Printed Name

Name of County or Other Local Taxing Entity Allowing the Credit

Date