

INTERNATIONAL TRADE INCENTIVE PROGRAM

Tax Credit for Port Volume Increase

Frequently Asked Questions

What is the International Trade Incentive Program?

ITIP is a tax credit for companies that increase their shipping through South Carolina's ports. The program is geared toward drawing distribution centers and other international shippers to our state, while also rewarding existing companies for expanding their port business in the state.

Who is eligible for tax incentives under the new program?

Taxpayers that are engaged in manufacturing, warehousing or distribution in the state and that increase port cargo volume by 5% in a single calendar year are eligible. Base year port cargo must be at least 75 net tons of non-containerized cargo or 10 loaded twenty-foot containers (TEUs).

What incentives are being offered?

Eligible companies apply for a tax credit against their state income tax. The pool of tax credits is \$8 million for each year. A qualifying taxpayer may not receive more than \$1 million for each year, unless the credit is not fully allocated. Any excess credit may be carried forward and claimed against income taxes in the next five years.

When will my company receive the incentives?

The program starts in 2006, based on increases from 2005. The deadline for applications will be March 1, 2007.

What should I be doing now?

Keep thorough records of your company's shipments, jobs created and new investments in facilities, plant and equipment.

How do I apply?

The tax credit will be handled through the Coordinating Council for Economic Development. Applications will be available by the end of the year.

What are the evaluation criteria?

The Coordinating Council has sole discretion in allocation credits, taking into consideration a number of factors, such as the amount of base year cargo volume, the total and percentage increase in port cargo volume, the number of qualifying taxpayers, the type of cargo.

How do I get more specifics?

See http://www.scstatehouse.net/sess116_2005-2006/bills/4874.htm for the full text of the incentive.

If you have other questions, please contact SCSPAinfo@scspa.com.