Oconee Economic Alliance
South Carolina

Business Incentives

Oconee County, South Carolina

Located in the northwestern corner of South Carolina, Oconee County is located in between Atlanta, GA and Charlotte, NC on the Interstate 85 corridor. Whether it is an expansion opportunity or relocation decision, Oconee County has a proven record that it possesses a competitive advantage when it comes to the right location.

The Palmetto State is proud to offer the following statutory incentives:

- No state property tax
- No local income tax
- No inventory tax
- No sales tax on manufacturing machinery, industrial power or materials for finished products
- No wholesale tax
- No unitary tax on worldwide profits
- Favorable corporate income tax structure

Here is information regarding other discretionary incentives, statutory incentives, and business incentives…..

<u>Business Incentives</u>

I. Tax & Incentive Structure

With regards to taxation in South Carolina, the State administers corporate income and sales and use taxes; the County levies property tax. Hence, each governmental authority's means to reward growth are tied directly to their mode of taxation.

South Carolina incentive legislation provides the ability for both legislative bodies to incent both new and existing business and industry when new jobs are created and/or new investment occurs. In addition, the State of South Carolina strongly encourages rural development weighting its incentive programs accordingly.

Incentives from both levels of government take one of two forms. Either they are statutory, meaning if requirements are met, one would automatically qualify; or negotiated, meaning they are offered at the discretion of the appropriate governing body. In general, statutory incentives are fiscal, year-end oriented; negotiated incentives are often time-sensitive and in some cases have a set look-back period to capture eligible expenditures.

Oconee County and the State of South Carolina aggressively recruit industry, and offer a wide range of development incentives. Our incentives are performance based, designed to foster growth by rewarding both existing industries and prospective companies.

II. County Incentives

The Oconee Economic Alliance (OEA) was created by Oconee County to act as the County's agent for economic development. As its agent, the OEA has the ability to negotiate property tax-based incentives; however, final approval rests with Oconee County Council.

Specifically, a company may take advantage of one of two potential incentive programs. Depending on total investment, a company may qualify for either a five-year abatement of a statutorily-set portion of property tax or, by agreement with the county, a fee-in-lieu-of-tax arrangement. Other unique options can be considered given the project size.

a. Property Tax Abatement - Statutory

South Carolina provides property tax abatement to new or existing companies making new capital investments in the state.

Purpose:

- Reduce tax burden when new assets are at their greatest value

Value:

- Approximately 25% - 35% tax reduction annually for 5 years on new capital investment

Requirements:

- Invest greater than $50,000 in new capital expenditures in one year
- Company must be involved in manufacturing, research and development, corporate headquarters, or distribution/warehouse facilities
- If other than manufacturer or R&D, must create at least 75 new jobs
- File tax return/PT-300 to SC Dept. of Revenue; deduction is automatic.

(See SC Department of Revenue website -- www.sctax.org -- for more information)

Mechanics:

The abatement is given for 5 years – years 2 through 6 and is a waiver of the county's operating portion (73.9 mills) of property tax.

Property Tax: Value x Assessment Ratio x Millage

Tax Example: (assumes manufacturer & non-depreciable asset)

$10 Million investment x 10.5% assessment ratio x .2202 (average) millage rate = $231,210 annual tax (before abatement)

Abatement Savings Example:

$10 Million investment x 10.5% assessment ratio x .0739 millage abatement = $77,595 annual abatement savings or $387,975 over 5 years

So, taxes after the abatement in Year 1 would be $156,765.

Note: Besides the abatement, SC provides the following property tax exemptions - All inventories (raw materials, work-in-progress and finished goods), all intangible property (stocks, dividends, interest), and all pollution control equipment.)

b. ***Fee-in-Lieu of Property Tax*** *– Negotiated and Discretionary*

A company may negotiate with the Oconee Economic Alliance a Fee-in-Lieu of Property Taxes (FILOT) agreement. All FILOT agreements are subject to final approval by County Council.

Purpose:

- Reward substantial investment by reducing tax burden over the long-term

Value:

- Approximately 42% tax reduction annually for 20 years on new capital investment occurring in a 5-year investment window.

Requirements:

- Company must be manufacturer, warehouse/distributor or an office/headquarters

- Commit to significant new investment

- Project must be competitive with other locations

Mechanics:

- May lower assessment ratio from 10.5% to as low as 6% on real and personal property for manufacturers

- For headquarters and corporate offices, the assessment ratio can be reduced from 10.5% to as low as 6% on personal property (real property is already assessed at 6%)

- May lock millage rate for 20 years or adjust it every 5 years; historical millage increase has been 1.5% annually (School System)

- Bond/Incentive attorney must prepare legal documents

- On average, a 8-week process with County Council

Super Fee-in-Lieu of Property Taxes (Super FILOT)

A county may negotiate a Super FILOT with a company that meets one of these qualifications:

- Create 125 new jobs and invest $150 million
- Single investment of at least $400 million
- Assessment ratio can be lowered to 4%
- Company has 8 years to meet the investment requirement
- Qualifying property is subject to the fee for 30 years up to 40 years

Manufacturer's Warehouse Property Tax

Manufacturers that own or lease real property for the primary purpose of warehousing and wholesale distribution, receive a 6% assessment ratio on the associated property tax. The warehouse must not be physically attached to a manufacturing plant unless the distribution area is separated by a permanent wall.

c. ***Industrial Revenue Bond*** *– Negotiated*

For small manufacturers, the IRB is the lowest cost means to finance a new operation or an expansion due to tax-exempt status of the bond (loan). It can be used for the acquisition of land, the construction of buildings, improvements to real property and the acquisition of new machinery. Investment cannot exceed $20 million in expenditures 3+/- years.

d. ***Special Source Revenue Credit*** *(SSRC)*

The County may grant a SSRC to generate additional tax reductions to offset the cost of infrastructure, land and/or building. The SSRC is offered on a sliding scale based on the amount of the investment and is typically for ten (10) years.

If the company desires, a Special Source Revenue Bond may be purchased to provide up-front financing to offset initial costs. The SSRB stream is used to repay the bond.

Special considerations apply with regard to this program, and each project is evaluated individually.

The company will be required to obtain services of a Bond Attorney to draft an ordinance for the SSRC. The ordinance will require approval by County Council on three readings. It will also require a public hearing.

*e. **Multi-County Industrial Park (MCIP)***

This is a written agreement between two or more counties. It includes provisions addressing the development of the park, the sharing between the participating counties of the expenses and revenues relating to the park, and the manner in which such revenues must be distributed to each of the taxing entities within each of the participating counties.

The park area is exempt from property tax. The owners or leasees of any property situated in the park must pay an amount equivalent to the property taxes or other fee in lieu of payments (FILOT) that would have been due and payable.

Job Tax Credits for each job are increased by $1,000 if new or expanding facility is located in a Multi-County Industrial Park.

A multi-county park agreement is required in order for the county to approve a special source revenue credit the company will be required to obtain a bond attorney to draw up an ordinance which will be presented to the county council for approval. The ordinance will require approval on three readings and will also require a public hearing.

f. Other

The County also will help depending on the project with other incentives such as grading assistance or infrastructure enhancements.

Land Costs

Oconee County is fortunate to own utility served, Class A industrial parks and we are certainly open to discussions on land cost reductions.

Infrastructure Development Cost Relief

In concert with our utility partners, Duke Energy, Blue Ridge Electric Cooperative, Fort Hill Natural Gas, Water providers and AT&T, utility cost relief can be discussed.

Expedited Permitting

By its very nature, Oconee County's government is very fiscally conservative and believes that it is the responsibility of government to stay out of the way of business. We understand the need for companies to move quickly and permitting is completed expeditiously. Certain projects require commitment from the local leadership to expedite permitting and plan review. To the extent allowed by local and state law, Horry County will commit to assist with expedited permitting as needed.

New Market Tax Credit

NMTC is an instrument for attracting businesses to some of the most distressed communities by providing a federal tax credit for investments made in businesses or economic development projects in these communities. The credit totals 39 percent of investment costs claimed over seven years and is awarded not to the investor, but to Community Development Entities (CDEs). CDEs then use the proceeds to make community investments, including in businesses and real estate projects. Instead of a tax credit, a qualified business receives cash up front to reduce cash investment in its project, which may provide an estimated 15 to 20 percent pretax return on the investment.

III. State Incentives

a. ***Jobs Tax Credit*** *// Statutory (South Carolina Code § 12-6-3360)*

The Jobs Tax Credit (JTC) is a valuable financial incentive that rewards new and expanding companies for creating jobs in South Carolina. The Job Tax Credit is available to manufacturing, distribution, processing, warehousing, research and development, and tourism facilities.

In order to qualify, companies must create and maintain a certain number of net new jobs in a taxable year. The company must create a monthly average of 10 new full-time jobs to receive a Job Tax Credit which is available for five years if the jobs are maintained. The credit can offset 50% of the company's income tax and unused credits can be carried forward for 15 years. The amount of the credit depends on the facility location and a county's designated status for Job Tax Credit availability. The number of new jobs is calculated as the increase in the average monthly employment from one year to the next.

Purpose:

- South Carolina rewards companies for job creation by reducing corporate income tax liability.

Requirements and Corresponding Values:

1) For companies involved in manufacturing, processing, warehousing, distribution, tourism, or be considered a corporate office facility (HQs), bank or qualified technology intensive facility, increase annual average monthly employment by 10 or more new full-time jobs.

- Credit of $1500 annually for 5 years for each new job; $2500 when located in a Multi-County Business Park

2) "Small Business" - For companies involved in manufacturing, processing, warehousing, distribution, tourism, or considered as a corporate office facility (HQs), bank or qualified technology facility and employing corporation-wide 99 or less employees, create 10 net new jobs as noted III.a.1) above or increase annual average monthly employment by 2 or more new full-time jobs.

- Credit of $1500 annually for 5 years for each new job with gross wages that equal or exceed $19.50 per hour (120% of the state's per capita of $16.25/hr); $2500 when located in a Multi-County Business Park

- or $750 annually for 5 years for each new job that pays less than $19.50; $1750 when located in a Multi-County Business Park

3) Service-related facilities are eligible but they must create 250 new full-time jobs within 5 years (or the equivalent of 500 part-time jobs) OR meet one of the following criteria:

- Create 125 jobs with an average salary 1.5 times the State of South Carolina's per capita income ($48,743); or

- Create 75 jobs, with an average salary 2 times the State of South Carolina's per capita income ($64,990); or

- Create 30 jobs, with an average salary 2.5 times the State of South Carolina's per capita income ($81,238).

If meeting one of the above requirements, service-related companies are also eligible for a credit of $1500 annually for 5 years for each new job or $2500 per job when located in a Multi-County Business Park.

Mechanics:

- Offsets corporate income tax liability up to 50% in a given year

- Can carry forward unused credits for 15 years

- Credits are given each year for five years beginning with years 2 through 6

Example:

100 Employee Manufacturer to create 50 jobs

50 jobs x $1500 = $75,000 annual value

5 year value = $375,000

*b. **Job Development Credit***

A Job Development Credit (JDC) is a discretionary, performance-based incentive that rebates a portion of new employees' withholding taxes that can be used to address the specific needs of individual companies. JDCs are approved on a case-by-case basis by the S.C. Coordinating Council for Economic Development. To qualify, a company must meet certain business requirements and the amount a company receives depends on the company's pay structure and location.

Snapshot of the Job Development Credit (JDC) Program

- Quarterly cash refund of employee withholding tax
- Generally available for 10 years
- Rebates are applied to eligible costs
- Requires application and discretionary approval
- Starts once company meets job and investment goals

JDC Eligibility Criteria

- Minimum of 10+ new jobs
- Positive cost/benefit analysis
- Company financially viable and creditworthy
- Wages for new jobs equal or above county per capita
- Company must offer a health insurance plan comparable to the state insurance plan and pay 50% of employee premiums

- $4,000 application fee; $500 annual renewal fee
- Approval by SC Coordinating Council for Economic Development

JDC Potential Value

- Up to 2-5% rebate of employee's wages subject to SC withholding
- 100% of maximum
- Capped At: Value of eligible capital costs
- Eligible Costs:
  - Utility system upgrades
  - Fixed transportation facilities
  - Real estate (site/building improvements)
  - Manufacturing pollution control equipment
  - Approved training costs -Employee relocation expenses for technology intensive facilities, R&D and certain corporate headquarters

*c. **Job Retraining Credit** // Statutory (South Carolina Code § 12-10-95)*

Eligible businesses may negotiate with the Coordinating Council for a refund of up to $500 per production employee per year for retraining; the retraining must be necessary for the business to remain competitive or to introduce new technologies.

Qualifying for the Credit:

- JDCs and Retraining Credits cannot be claimed for the same employee
- Refund may not exceed $500 per production employee per year or $2,000 over five years
- Company must match on a (dollar-for-dollar basis) the employee's withholding share used for the training
- The total amount is paid to the technical college providing the training
- The retraining must be approved and coordinated by the technical college(s), under the jurisdiction of the State Board for Technical and Comprehensive Education, serving the approved business
- Company must submit an application (with a $500 application fee) to the Coordinating Council

*d. **Corporate Headquarters Credits** // Statutory (South Carolina Code § 12-6-3410)*

Companies establishing or expanding a corporate headquarters facility in South Carolina are allowed a credit against South Carolina corporate income or license taxes equal to 20% of the qualifying costs of establishing a corporate headquarters in South Carolina or expanding an existing corporate headquarters.

- Corporate Headquarters facilities are defined as the facility where corporate staff employees are physically employed and where the majority of the company's financial, personnel, legal, planning, information technology or other related functions are handled on a regional, national or global basis.

- The credit is made up of two parts including real and personal property. The company may qualify for either or both parts of the credit.
- The corporate headquarters credit is not limited in its ability to eliminate corporate income or license taxes, and unused credits may be carried forward for up to 10 years.

Eligibility for this credit is determined by meeting the following criteria:

- The company must create a minimum of 40 new full-time jobs that are engaged in corporate headquarters or research and development functions. At least 20 of these jobs must be classified as headquarters staff employees.
- The facility must be the location where corporate staff members or employees are domiciled and where the majority of the company’s financial, legal, personnel, planning, and/or other staff functions are handled on a regional or national basis.
- The facility must be the sole corporate headquarters within the region or nation with other facilities that report to it. A region is defined as a geographical area comprised of either five states (including South Carolina) or two or more states (including South Carolina) if the entire business operations of the company are performed in fewer than five states. Head-quarters facilities for distinct business units of a company may also be eligible for this credit.

*e. **Corporate Contributions for Infrastructure Construction Credit** (South Carolina Code § 12-6-3420)*

Credits to corporate income taxes are permitted for corporate contributions for the construction of or improvements to any one infrastructure project. Qualified projects for this credit include water and sewer infrastructure and roads that do not exclusively benefit the taxpayer and are dedicated to public use. The credit is permitted for 50 percent of the expense, up to $10,000 per year. Unused credits up to $30,000 may be carried forward for three years.

*f. **Tourism Infrastructure Development Incentive** (South Carolina Code § 12-21-6510 – 12-21-6580)*

A portion of the state admissions tax collected from a qualified establishment may be returned to the local government to fund public infrastructure development. Fifty percent of the admissions tax generated by a qualified new or expanding tourism or recreation facility may be used for public infrastructure improvements. In the case of an expansion of an existing facility, this incentive only applies to the increase in admissions tax attributable to the expansion.

To qualify, an investment in land and new capital assets of at least $20 million must be made within a five-year period. A designated development area may be established by local ordinance, whereas all qualified investments within the area can be combined to achieve the $20 million investment threshold. In addition, secondary support facilities such as hotels, restaurants and retail establishments, located within or adjacent to a tourism project or designated development area may also be included in the aggregate investment.

The funds, collected for a period of 15 years, are allocated accordingly:

- 25% of the admissions tax is diverted to the county or municipality where the facility is located, and
- 25% of the admissions tax is allocated to a special tourism infrastructure development fund administered by the SC Coordinating Council for Economic Development (CCED). Local units of government located within five miles of the qualifying facility may apply to CCED for this fund.

g. ***Port Volume Increase Credit***

South Carolina provides a possible credit against income taxes or withholding taxes to entities that use state port facilities and increase base port cargo volume by 5% over base-year totals. To qualify, a company must have 75 net tons of non-containerized cargo or 10 loaded TEUs transported through a South Carolina port for their base year. A company must be engaged in manufacturing, warehousing, freight forwarding or handling, goods processing, cross docking, trans-loading, wholesaling of goods, or distribution which uses port facilities in this state.

The South Carolina Coordinating Council has the sole discretion in determining eligibility for the credit and the amount and type of credit that a company may receive. The total amount of tax credits allowed to all qualifying companies is limited to $8 million per calendar year. A company must submit an application to the Coordinating Council to determine its qualification for, and the amount and type of, any tax credit it will receive.

h. ***Economic Development Set-Aside Program***

The Economic Development Set-Aside Program assists companies in locating or expanding in South Carolina through road or site improvements and other costs related to business location or expansion. Overseen by the Coordinating Council for Economic Development, it is the Council's primary business development tool for assisting local governments with road, water/sewer infrastructure, or site improvements related to business location or expansion.

i. ***Recycling Facility Tax Credit*** *// Statutory (South Carolina Code § 12-6-3460)*

A credit against corporate income or license tax or sales and use tax equal to 30% of an investment in businesses that construct or operate a qualified recycling facility. The facility must manufacture products comprised of 50% or more post-consumer waste. Investment in the facility must reach at least $300 million within five years of operations.

*j. **Research and Development Tax Credit** // Statutory (South Carolina Code § 12-6-3415)*

In order to reward companies for increasing research and development activities in a taxable year, South Carolina offers a credit equal to 5% of the taxpayer's qualified research expenses in the state. The term "qualified research expenses" is defined in Section 41 of the Internal Revenue Code. The credit taken in any one taxable year may not exceed 50% of the company's remaining tax liability after all other credits have been applied. Any unused portion of the credit can be carried forward for 10 years from the date of the qualified expenditure.

*k. **Investment Tax Credit** // Statutory (South Carolina Code § 12-14-60)*

South Carolina allows companies a credit against income tax for its investment in new qualified manufacturing and production equipment.

- The property must be tangible, depreciable, and used as an integral part of manufacturing, production, or providing transportation, communications, or utility services.
- The actual value of the credit depends on the applicable recovery period for property under the Internal Revenue Code and varies from 0.5% - 2.5% of the bases of the applicable property.

Recovery Period	Credit Value
3 Years	0.5%
5 Years	1.0%
7 Years	1.5%
10 Years	2.0%
15 Years	2.5%

- This credit is generally not limited in its ability to eliminate income taxes, and unused credits may be carried forward for up to 10 years.
- Companies may carry forward unused credits after the initial 10 year period to offset up to 25% of their income tax liability if the company:
  - Employs more than 1,000 full-time workers and invests no less than $500 million; or
  - Employs more than 850 full-time workers and invests no less than $750 million; and
  - Made a total investment of more than $50 million in the previous five years.

*l. **Sales Tax and Incentives***

South Carolina currently has a 6% state sales tax. Oconee has no additional sales tax.

- Sales tax applies to all retail sales, leases and rentals of tangible personal property, including the value of property purchased at wholesale and then used or consumed by the purchaser. A $300 maximum sales tax cap is applicable on the sale or lease of aircraft, motor vehicles, motorcycles, boats, recreational vehicles and other items.
- Use tax is based on the sales price of such property

SALES TAX INCENTIVES

- Out-of-State Sales

South Carolina exempts sales tax on the gross proceeds of the sales of tangible personal property where the seller, by contract of sale, is obligated to deliver to the buyer, an agent of the buyer, or appointee of the buyer, at a point outside of the state, a carrier, or mails for transportation outside this state.

- Out-of-State Purchases - Use Tax Credit

South Carolina provides a credit to the use tax for sales and use taxes on purchases of tangible personal property paid in another state, if the state in which the property is purchased has substantially similar tax credits on tangible personal property purchased in this state. If the amount of the sales or use tax paid in the other state is less than the amount of use tax imposed in this state, the user shall pay the difference to this state.

- Sales Tax Exemptions

South Carolina supports new and expanding industry with a wide range of valuable exemptions to the sales tax (state and local). These exemptions include the following:

- Machinery and equipment used in the production of tangible goods process;
- Research and development machinery and equipment;
- Repair Parts for exempt machinery & equipment;
- Materials that will become an integral part of the finished product;
- Fuels used in the production process including electricity;
- Pollution control equipment;
- Packaging materials;
- Rail cars and locomotives;
- Computer equipment used in a qualifying technology intensive facility;
- Computer services and software;
- Recycling property used in a qualifying recycling facility;
- Long distance telephone calls and access charges, including 800 services; and
- Material-handling equipment is exempt from sales taxes for manufacturing or distribution projects investing $35 million or more.
- Construction materials used in the construction of a single manufacturing and distribution facility with a capital investment of at least $100 million in an 18 month period will be exempt from sales tax.

IV. Other Sources in South Carolina

BCI Lending Services (BCI) is a not-for-profit, statewide development finance institution that provides innovative financial products and capacity-building services to promote growth and competitiveness of new and existing small and medium-sized businesses in South Carolina. BCI complements private sector activities through a variety of lending programs to fill gaps in funding often faced by these businesses, especially in rural and distressed areas of the state.

The ***Business Development Corporation (BDC) of South Carolina*** is a privately owned, non-banking financial institution organized for the purpose of promoting economic development within the state. It provides term loans to both new and expanding businesses that are unable to obtain financing through normal banking sources. Loans can be obtained for most business purposes and by various types of businesses, except for investment, speculative, and eleemosynary ventures.

The purpose of the ***South Carolina Capital Access Program (SC CAP)*** is to promote economic development and job creation through small businesses in South Carolina by providing financial institutions with a flexible and non-bureaucratic resource. SC CAP is based on a reserve fund concept and is fundamentally different from traditional insurance or guarantee programs, which guarantee individual loans. Rather, SC CAP works on a portfolio concept. In other words, if a financial institution participates in SC CAP, a special reserve fund, which is owned by the state, but managed by Business Development Corporation of SC, is set up to cover future losses from a portfolio of loans that the institution makes under the program. The SC CAP reserve fund is not specific to individual loans, but is used to offset losses on any loan in the participating financial institutions SC CAP portfolio.

The ***South Carolina Jobs-Economic Development Authority (JEDA)*** was created in 1983 by an act of the General Assembly to retain and expand job opportunities and enlarge the tax base of the State and its local governments by meeting the financial and capital needs of the small and middle market business community. Through the use of taxable and tax-exempt bonds, JEDA assists in the financing of eligible projects by serving as a statewide conduit issuer of special obligation revenue bonds. Entities borrow money through, not from, JEDA, which is repayable solely from revenue producing projects or special sources. Since its inception, JEDA has issued 446 bonds for a total of over $8 billion, which have been responsible for the creation and retention of over 213,000 jobs in South Carolina.

Enterprises which qualify for Tax-Exempt Industrial Revenue Bond issues are as follows:

- Manufacturing Facilities: Maximum Capital Expenditure $20 million - Tax Exempt Bond Limit $10 million
- Non-Profit Organizations:

    1. Healthcare Facilities: Acute care hospitals, nursing homes, assisted living facilities, fitness and wellness programs (i.e. YMCA), alcohol and drug abuse projects, residential youth programs

    2. Educational Facilities: K-12 and private colleges owned by 501(c)(3) educational organizations

3. Other Qualifying Non-Profit Entities - Solid Waste Disposal Facilities: Cement manufacturers, automobile paint shops, traditional landfills, electric generating waste removal

InvestSC, Inc. can best be described as a fund of funds and is committed to promoting economic development within the state. The program provides an invaluable resource for companies already located in South Carolina or for companies looking to locate here. Formed by JEDA, InvestSC, Inc.'s purpose is to assist the Venture Capital Authority (VCA) of South Carolina in meeting their goals and objectives. The VCA has partnered with four venture capital funds that are willing to invest in companies looking to locate or expand within the state.

V. Recruitment and Training Support

a. New Market Tax Credits

This federal program permits individual and corporate investors in low-income communities to receive a tax credit against their Federal income tax return in exchange for making equity investments in specialized financial institutions called Community Development Entities (CDEs). The credit totals 30% of the original investment amount and is claimed over a period of seven years (5% for each of the first three years, and 6% for each of the remaining four years.) The investment in the CDE cannot be redeemed before the end of the seven-year period.

b. ReadySC

No cost recruitment, screening, testing and pre-employment training when hiring 15-20 new production workers; on-the-job training reimbursement possible when hiring less than 15 new employees. Essentially, this is a comprehensive, customized, rapid ramp-up workforce solution offered at no cost to eligible companies.

c. Enterprise Zone Retraining Credits

The Enterprise Zone Retraining Credit Program helps existing industries maintain their competitive edge and retain their existing workforce by allowing them to claim a Retraining Credit for existing production employees. If approved for the Enterprise Zone Retraining Credit, companies can reimburse themselves up to 50 percent of approved training costs for eligible production workers (not to exceed $500 per person per year). This program is also overseen by the Coordinating Council for Economic Development.

Cash match of up to $2,000 per employee over 5 years for retraining of existing production employees.

d. WorkLink & One-Stop Business Services

The Workforce Investment Act (WIA) is a federal program administered in South Carolina through the Workforce Division of the Department of Employment and Workforce and through 12 Workforce Investment areas throughout the state. WIA programs help businesses meet their need for skilled workers and provide individuals with access to training that helps them prepare for work. This program established the One-Stop system that delivers workforce assistance and resources to employers in South Carolina. This business services is geared to assist employers with pre-screening of applicants, pre-employment skills assessments, and referrals of qualified job seekers.

Assistance is provided through:

- WorkReady SC Program (WorkKeys Job Profiling)
- On-the-Job Training (OJT) wages (reimbursement for 50-75% of the wages)
- Incumbent worker training costs (grant assistance for introducing a new technology or product)
- Customized Training Costs (reimbursement for 50-75% of the cost)

e. Apprenticeship Carolina

As part of the SC Technical College System, Apprenticeship Carolina works with the South Carolina Office of the US Department of Labor-Office of Apprenticeships to ensure that all employers in South Carolina have access to the information and technical assistance they need to create their own demand-driven registered apprenticeship programs. A registered apprenticeship is an employer sponsored flexible training program that cultivates highly skilled workers and is designed to create a career pathway for an employee to graduate from a lower skill level to the full performance level in a given occupation.

A registered apprenticeship consists of two complementary components:

- Supervised on-the-job training that is provided by an employer at the workplace and is customized to meet job-specific needs; and
- Related technical instruction (or “RTI”). This is often delivered by a technical college and serves to reinforce the theory underlying the skills being learned on-the-job.
- Currently 971 occupations for which registered apprenticeship programs have been established
- $1,000 corporate income tax credit per registered apprentice for up to four years

f. Tri-County Technical College Programs

The technical school can and will customize training programs to meet specifications of industry. Typically, this is done at no cost to the client served.

g. Work Opportunity Tax Credit (WOTC)

Work Opportunity Tax Credit (WOTC) is a federal tax credit program that provides an incentive to businesses that hire new employees from certain populations such as: unemployed veterans, ex-offenders, individuals receiving Supplemental Security Income (SSI), vocational rehabilitation services, and other qualifying social services. The WOTC program can help reduce your federal income tax liability by providing your business with a 40% tax credit on eligible employees' first year of wages after they have worked 400 hours (wage caps apply). With no limit on the number of qualified hires your business can claim, you can receive anywhere from $2,400 to $9,600 for each one of your newly hired, eligible employees. WOTC requests must be postmarked or e-filed within 28 days of the employee's start date. Qualified tax-exempt "not for-profit" 501(c) entities can participate when hiring qualifying veterans only. The credit is 26 percent of the first-year wages when new hires have been employed for 400 hours or more. (Qualifying wage caps apply.)

With absolutely no limit on the number of qualified hires your business can claim, you can receive anywhere from $2,400 to $9,600 for each one of your eligible employees.

The program is simple. Businesses make the hiring decision, and then complete the minimal paperwork to apply for the credit.

You can benefit from hiring within the following groups:

- Temporary Assistance for Needy Families (TANF) recipient
- Supplemental Nutrition Assistance Program (SNAP) recipients
- Vocational Rehabilitation or Ticket-to-Work Participants
- Recently released ex-felons
- Supplemental Security Income (SSI) recipients
- Disabled veterans who within the last year were discharged or unemployed for more than six months
- Unemployed veterans
- Veterans receiving SNAP
- Long-term unemployment recipient

For more information, contact S.C. WOTC Coordinator Laura Rushton at 803-737-2592 or lrushton@dew.sc.gov or click here to visit the Department of Labor's website.

Oconee County is a "Certified Work Ready Community" through ACT with over 3000 individuals having a WorkKeys credential. All graduating high school students in Oconee County also have this credential.

For more information related to Oconee County, South Carolina please contact:

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The Oconee Economic Alliance is a public-private nonprofit effort to accelerate job creation and capital investment, increase per capita income, diversify the local tax base and generate awareness of Oconee County as a business location.