



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE  
**CREDIT FOR A GIFT OF LAND FOR CONSERVATION OR  
A QUALIFIED CONSERVATION CONTRIBUTION  
OF REAL PROPERTY AFTER MAY 31, 2001**  
Attach to your Income Tax Return

Name As Shown On Tax Return

SSN or FEIN

1. Amount of the qualifying contribution of land located in South Carolina. (See instructions.) ....	1.	\$	_____
2. Multiply line 1 by 25% (0.25).....	2.	\$	_____
3. Multiply the number of acres contributed (reduced by number of wetland acres within the intertidal zone) by \$250.00.....	3.	\$	_____
4. Enter the lesser of line 2 or line 3.....	4.	\$	_____
5. Credit carried forward from prior years.....	5.	\$	_____
6. Add lines 4 and 5.....	6.	\$	_____
7. Yearly limitation.....	7.	\$	<u>52,500.00</u>
8. Enter the lesser of line 6 or line 7.....	8.	\$	_____
9. Enter your current year tax liability.....	9.	\$	_____
10. Enter the lesser of line 8 or 9. This is the amount of credit available for this year.....	10.	\$	_____
11. Line 6 minus line 10. This amount may be carried forward until used.....	11.	\$	_____

**INSTRUCTIONS**

**LINE INSTRUCTIONS**

**LINE 1:**

Enter the amount of the qualified contribution of land located in South Carolina. The amount of the qualified contribution is the value of the "gift of land for conservation" or "qualified real property interest" located in South Carolina that is eligible for a charitable contribution under Section 170 of the Internal Revenue Code (IRC) and meets the requirements of Section 12-6-5590 of the South Carolina Code of Laws (SC Code). Qualified real property interest" is defined in IRC Section 170(h). A "gift of land for conservation" is a charitable contribution of fee simple title property conveyed for conservation purposes as defined in Section 170(h)(4)(A) to a qualified conservation organization as described in Section 170(h)(3). See **OTHER INFORMATION** below.

**Note:** Transferees begin at line 6.

**LINE 3:**

The credit is limited to \$250.00 per acre contributed, however, any wetland acreage lying within the intertidal zone shall not be taken into consideration for the calculation of this per acre cap.

**LINE 7:**

This credit is limited to \$52,500.00 for a taxpayer in any single tax year.

**Note:** IRC Section 267 attribution rules apply in computing per acre and per taxpayer limitation.

**LINE 8:**

This credit can be used in conjunction with any other credits to offset any income tax owed by the person or entity claiming it. Any amounts not used due to the credit being greater than the current year tax due may be carried forward to succeeding years. The credit may not be used against corporation license or any other fees. In addition to the carryforward, unused credit may be transferred, devised, or distributed, with or without consideration, by an individual, partnership, limited liability company, corporation, trust, or estate, in accordance with SC Code Section 12-6-3515.

See **S.C. Revenue Procedure # 08-1** on our website [www.dor.sc.gov](http://www.dor.sc.gov) for information on how to request from the Department of Revenue approval of a transfer, devise, or distribution of the conservation tax credit allowed under Section 12-6-3515. **The credit must be claimed by the taxpayer on a tax return before it can be transferred.**

**Note:** If filing a paper return attach to your Income Tax Return. If filing electronically, keep a copy with your tax records.

## **OTHER INFORMATION**

### **Donative Intent**

Pursuant to SC Code Section 12-6-3515(B)(1)(c), no credit is allowed unless the contribution meets the requirements of IRC Section 170 and SC Code Section 12-6-5590. Property used for or associated with the playing of golf, or is planned to be so used or associated, is not eligible for the credits allowed by this section.

Pursuant to SC Code Section 12-6-5590, no credit is allowed for a contribution unless the donor has the donative intent required by IRC Section 170 and the regulations and cases interpreting Section 170.

No credit is allowed for any noncash charitable contribution in the claimed amount of \$100,000.00 or more unless the donor has the requisite donative intent required by this section.

The requisite donative intent includes the requirement that the donor be motivated by detached and disinterested generosity benefiting a charitable purpose rather than expected economic benefit.

A noncash charitable contribution by a donor given to comply with any state or federal environmental or other regulatory requirement; for the purpose of obtaining road, water, or sewer services; or in conjunction with obtaining a grant, subdivision, building, zoning, environmental, mitigation, or similar permit or approval from any government, is deemed not to have the requisite donative intent absent extraordinary circumstances.

The department will examine the substance, rather than merely the form, of the contribution and related and surrounding transactions, and may use the step transaction, economic reality, quid pro quo, personal benefit, and other judicially developed doctrines in determining whether the requisite donative intent is present.

### **Forestry and Silvicultural Practices**

Notwithstanding the provisions of IRC Section 170(h) and applicable regulations pertaining to forestry and silviculture practices, you are not disqualified for the tax credit allowed in this section because of silviculture and forestry permitted or undertaken pursuant to a conservation contribution on a real property interest if:

(a) the forestry and silviculture practices permitted by or undertaken pursuant to the conservation contribution conform to Best Management Practices established by the South Carolina Forestry Commission existing either at the time the conservation contribution is made, or at the time a particular forestry or silvicultural practice is undertaken;

(b) the conservation contribution on a real property interest in all other respects conforms to the requirements of IRC Section 170(h) and applicable regulations for a "qualified conservation contribution" of a "qualified real property interest" and

(c) you provide the Department of Revenue with the information it considers necessary to determine that you would otherwise be eligible for the deduction allowed under Section 170(h).

The amount of the credit is twenty-five (25%) percent of the contribution that would have qualified but for the silvicultural and forestry activities performed on the real property interest, subject to the conditions and limitations as the credit allows in this section.

### **Attribution Rules**

IRC Section 267 attribution rules apply in computing per acre and per taxpayer limitation.

### **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.