



Economic Development Incentives for Manufacturers in South Carolina

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SUMMARY OF POTENTIAL INCENTIVES

South Carolina is a leader in business and economic development. From renowned workforce training methods, unparalleled business tax incentives, unbeatable logistical advantages, to a business friendly climate, South Carolina offers a collection of resources all working in your favor.

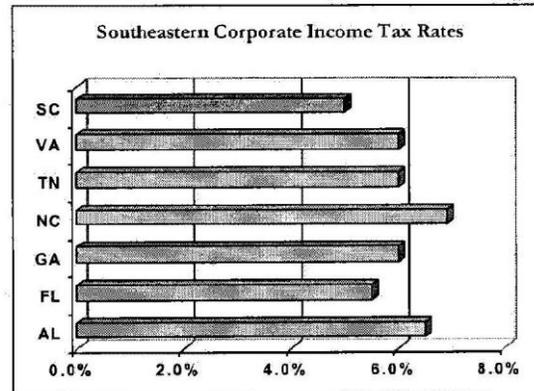
The possible incentives and their values typically depend upon the amount of capital investment, the number of jobs and wage scale, and the county in which the facility will locate. Key assumptions included in this document are:

- The entity will conduct manufacturing operations in South Carolina;
- Capital investment will be at least \$2.5 million in new real property (i.e. a new building will be constructed) and new machinery and equipment; and
- At least ten new jobs will be created and maintained at a wage scale that is above the prevailing county average.

CORPORATE INCOME TAXES

A manufacturer's state corporate income tax is based primarily on federal gross and taxable income. South Carolina annually conforms substantially to federal income tax laws (except for Bonus depreciation.) Companies engaged in multi-state activities will only pay taxes on the income derived from business activity conducted in South Carolina.

As the graph on the right illustrates, South Carolina has the lowest corporate income tax rate (5%) among the states competing most frequently with South Carolina and one of the lowest in the nation. In addition, South Carolina's Single Factor Sales Apportionment Formula may offer substantial tax savings.



Calculating Corporate Income - The First Step in Lowering Tax Liability

The first step to maintaining low corporate income tax liabilities is the state's formula for calculating corporate income. The manufacturer's annual corporate income is based on the following:

- Income allocated to South Carolina operations (non-business interest, dividends, royalties, rents and gains and losses from the sale of real property).
- Income remaining after allocation is apportioned to South Carolina using one of several apportionment methods (gross receipts, single factor (sales) or a special method).

A 5% corporate income tax rate is applied to the sum of these incomes. The resulting figure is the company's state corporate income taxes.

Single Factor Sales Apportionment Formula

South Carolina traditionally used the standard three factor formula (property, payroll and sales) to apportion income for manufacturers. In 2007, South Carolina began moving towards a single factor sales apportionment formula for manufacturers. A company's income will be apportioned to South Carolina by multiplying the net income remaining after allocation (described above) by a fraction, the numerator of which is the number of sales made in South Carolina and the denominator is the total number of sales of the taxpayer. This new formula eliminates property and payroll from the equation and is advantageous for a manufacturer whose majority of sales occur outside the State of South Carolina. The new method is phased in over a five year period with a 60% reduction of income attributable to South Carolina in 2009 and an additional 20% each year thereafter. In 2011, the new formula is fully applicable.

Corporate License Tax

All companies must pay an annual corporate license tax. The rate is \$15.00 plus \$1.00 for each \$1,000 of capital stock and paid-in or capital surplus. For multi-state corporations, the license tax is determined by apportionment in the same manner employed in computing apportioned corporate income.

INCOME TAX CREDITS

General

The credits discussed below apply to all forms of business entities (Limited Liability Companies, Partnerships, Sub S Corporations, etc.)

Job Tax Credits

By creating new jobs in South Carolina, a manufacturer is eligible for a tax credit against annual income tax liability. The value of these credits is determined by the development tier of the county and the number of jobs created. Pursuant to the recently enacted South Carolina Economic Development Competitiveness Act of 2010, effective January 1, 2011, South Carolina has moved to a four tier system and the annual credit amounts for each tier have changed. Under the new tier system the tax credit amount per new job will be as follows:

Tier 1 - \$1,500
 Tier 2 - \$2,750
 Tier 3 - \$4,250
 Tier 4 - \$8,000

For 2011, the tiering of each county in South Carolina appears below. (This ranking is done annually.)

TIER IV	TIER III	TIER II	TIER I
Allendale	Abbeville	Anderson	Aiken
Bamberg	Cherokee	Calhoun	Beaufort
Barnwell	Chester	Edgefield	Berkeley
Chesterfield	Colleton	Georgetown	Charleston
Clarendon	Darlington	Horry	Dorchester
Dillon	Fairfield	Jasper	Florence
Lancaster	Greenwood	Newberry	Greenville
Lee	Hampton	Oconee	Kershaw
Marion	Laurens	Pickens	Lexington
Marlboro	Orangeburg	Spartanburg	Richland
McCormick	Sumter	York	Saluda
Williamsburg	Union		

The credit is available for a five-year period beginning with Year 2 (Year 1 is used to establish the created job levels). Credits can be used to offset the manufacturer's annual state income tax liability by up to 50%. Unused credits can be carried forward for up to 15 years. To be eligible for Job Tax Credits, the manufacturer must create a monthly average of 10 net new jobs at the facility in a single taxable year.

Example of Jobs Tax Credit

The following table illustrates the value of Job Tax Credits assuming creation of 120 net new jobs in Berkeley County, South Carolina.

Berkeley County is currently a Tier 1 county, providing an annual credit of \$1,500 per job. Assume Berkeley County has agreed to designate the site as a "multi-county industrial park." This designation allows the manufacturer to take advantage of an additional \$1,000 per net new job -- meaning, Job Tax Credits of \$2,500 per job are available to the manufacturer.

Illustration of Estimated Job Tax Credits

Berkeley County

Year	Credit	Number of Job Credits	Annual Total
1	Establish Qualification for Credit		
2	\$2,500	120	\$300,000
3	\$2,500	120	\$300,000
4	\$2,500	120	\$300,000
5	\$2,500	120	\$300,000
6	\$2,500	120	\$300,000
Total Value			<u>\$1,500,000</u>

Please note, the number of new jobs is calculated as the increase in average monthly employment from one year to the next. Should the number of jobs created also increase or decrease, the total credit will likewise vary. We have calculated these amounts assuming that Berkeley County remains a Tier 1 county.

Investment Tax Credit

South Carolina currently allows manufacturers locating in South Carolina a one-time credit against the company's income tax of up to 2.5% of a company's investment in new production equipment.

The actual value of the credit depends on the applicable recovery period for property under the Internal Revenue Code. The following table illustrates the credit value for the various years outlined in the code.

Recovery Period	Credit Value
3 years	0.5%
5 years	1%
7 years	1.5%
10 years	2%
15 years or more	2.5%

This credit is not limited in its ability to eliminate income taxes, and unused credits may be carried forward for up to 10 years.

Example of Investment Credit

The table below illustrates the potential value of the Investment Tax Credit for a manufacturer in Berkeley County. This example assumes a total investment of \$4 million made after January 1, 2011, in eligible new product machinery, with a useful life of 7-9 years (11% depreciation annually), which allows for a 1.5% credit.

Illustration of Estimated Investment Tax Credits

Total New Production Equipment Investment	\$7,000,000
x Credit Value	1.5%
Total Value	\$105,000

Please note, the depreciation schedule of the equipment determines the percentage value of the credit. If the life of the equipment increases or decreases, the value of this incentive may change.

Research and Development Tax Credit

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 credits have been applied. Any unused portion of the credit can be carried forward for 10 years from the date of the qualified expenditure.

Port Volume Increase Credit

South Carolina provides a possible income tax credit to distributors that use South Carolina port facilities and increase base port cargo volume by 5% over base-year totals. To qualify, a manufacturer must have 75 net tons of non containerized cargo or 10 loaded TEUs transported through a South Carolina port for their base year and own the cargo at the time the South Carolina Port Facilities are used. Any unused credit may be carried forward for five years.

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

Alternative Energy Tax Credits

South Carolina has a host of tax incentives for alternative energy companies.

LOCAL PROPERTY TAXES

Property taxes in South Carolina are calculated based upon an equation with three variables:

$$\text{FMV} * \text{Assessment Ratio} * \text{Millage} = \text{Property Tax Bill}$$

- **Value:** The value for property tax purposes of a manufacturer's personal property (machinery, equipment, etc.) is determined by reducing the original cost by an annual depreciation allowance set forth in South Carolina law. The depreciation allowances range from 6% to 30% per year. Many manufacturers use an 11% allowance. The manufacturer will be allowed to depreciate its personal property down to a residual level of 10% of the original property value. For illustration purposes, a general depreciation rate of 11% has been used. The manufacturer's real property will be appraised by the Department of Revenue.

- **Assessment:** In South Carolina, (outside of fee-in-lieu) a manufacturer's personal property is assessed at 10.5% of fair market value and real property is assessed at 10.5%.
- **Millage Rate:** The local millage rate is applied to the assessed value of real and personal property. A mill is equal to \$0.001.

PROPERTY TAX INCENTIVES

FEE-IN-LIEU OF PROPERTY TAX

South Carolina law allows a County to enter into a negotiated agreement for a Fee-in-Lieu of local property taxes with a manufacturer if total capital investment is \$2.5 million or greater. The long-term savings of the Fee-in-Lieu is based on the actual investment and is dependent on both the assessment and millage rates negotiated with the County.

Counties are allowed to reduce the assessment ratio down to 6%. Counties may reduce the assessment ratio down to 4% for large investments ("super fee") consisting of \$125 million and creating 125 new jobs or \$400 million capital investment.

Counties may also offer a Special Source Revenue Credit in any amount, which provides further tax savings.

Counties may also lock in (freeze) the millage for either five year periods or for the 30 year life of the fee.

By law, a manufacturer has 5 years to meet the minimum investment threshold, and the County can offer an additional 5-year extension to complete the project. A manufacturer may include both real and personal property under the Fee-in-Lieu agreement. However, property that has been on the tax rolls in the state previously, including existing buildings, is not eligible for the Fee-in-Lieu. (This restriction is waived for companies investing an additional \$45 million or more in new investment.)

The Fee-in-Lieu may result in substantial benefits for the manufacturer:

Until recently, fee-in-lieu lasted 20 years. Recent legislative enactment allows fee-in-lieu's to last 30 years.

- **Savings:** Payments to local government are significantly reduced through the negotiation of a lower assessment rate (from 10.5% to as low as 6%). (A 4% assessment ratio is available on the very largest projects.)

The property that is subject to the fee may also negotiate a locked-in millage rate for 30 years or a five-year adjustable rate.

- **Disadvantages of Fee-in-Lieu**

With a Fee-in-Lieu, personal property depreciates, but real property is fixed at the original cost for the life of the fee. This is generally a disadvantage for manufacturers, as its property typically declines in value. Manufacturers with a fee-in-lieu are also not eligible for the manufacturers abatement or extraordinary obsolescence.

EXAMPLE OF FEE-IN-LIEU

The following table illustrates the impact of the Fee-in-Lieu for an investment of \$45 million in real property (land and building) in Berkeley County with a 6% assessment rate and a 0.2461 millage rate (locked for the 20-year life of the agreement). (As stated above, fee-in-lieu's now last 30 years.)

A Special Source Revenue Credit for twenty years is included in the Fee-in-Lieu illustration. This incentive is offered at the discretion of Berkeley County as a way for the county to assist the manufacturer with specific project costs. The value of the credit is derived directly from the Fee stream payments.

**Illustration of Fee-In-Lieu of Property Tax
Berkeley County
6%, 20-Year Fee, Locked Millage**

Year	Taxes with Abatement ¹	Payment with Fee	Savings with Fee	SSRC	Total Payment
1	\$526,770	\$664,470	(\$137,700)	\$332,235	\$332,235
2	\$532,038	\$664,470	(\$132,432)	\$332,235	\$332,235
3	\$537,358	\$664,470	(\$127,112)	\$332,235	\$332,235
4	\$542,732	\$664,470	(\$121,738)	\$332,235	\$332,235
5	\$548,159	\$664,470	(\$116,311)	\$332,235	\$332,235
6	\$698,365	\$664,470	\$33,895	\$332,235	\$332,235
7	\$705,348	\$664,470	\$40,878	\$332,235	\$332,235
8	\$712,402	\$664,470	\$47,932	\$332,235	\$332,235
9	\$719,526	\$664,470	\$55,056	\$332,235	\$332,235
10	\$726,721	\$664,470	\$62,251	\$332,235	\$332,235
11	\$733,988	\$664,470	\$69,518	\$166,118	\$498,353
12	\$741,328	\$664,470	\$76,858	\$166,118	\$498,353
13	\$748,741	\$664,470	\$84,271	\$166,118	\$498,353
14	\$756,229	\$664,470	\$91,759	\$166,118	\$498,353
15	\$763,791	\$664,470	\$99,321	\$166,118	\$498,353
16	\$771,429	\$664,470	\$106,959	\$166,118	\$498,353
17	\$779,143	\$664,470	\$114,673	\$166,118	\$498,353
18	\$786,935	\$664,470	\$122,465	\$166,118	\$498,353
19	\$794,804	\$664,470	\$130,334	\$166,118	\$498,353
20	\$802,752	\$664,470	\$138,282	\$166,118	\$498,353
TOTAL	\$13,928,559	\$13,289,400	\$639,159	\$4,983,525	\$8,305,875

¹ All new manufacturing establishments or additions to existing manufacturing establishments in which an investment of \$50,000 or more is made, are entitled to a statutory abatement/exemption from county operating taxes for a period of 5 years from the year of investment. However, if a company enters into a FILOT, they may not take advantage of the abatement. In order to show the savings that are solely attributable to the FILOT, we have included the abatement in our annual tax schedule calculation for illustration purposes only.

Assumptions

Land/Bldg*	\$45,000,000
Millage Rate	0.2461
Abatable Millage	0.0510
Average growth	1.00%
Depreciation	11 %
Maximum Depr.	90%

*This assumes the value of real property (land and building) remains stable at \$45,000,000 for 20 years.

The following table illustrates the impact of the Fee-in-Lieu for an investment of \$7 million in tangible personal property (machinery and equipment) in Berkeley County with a 6% assessment rate and a 0.2461 millage rate (locked for the 20-year life of the agreement).

A 25% Special Source Revenue Credit for ten years is included in the Fee-in-Lieu illustration. This incentive is offered at the discretion of a County as a way for the county to assist the manufacturer with specific project costs. The value of the credit is derived directly from the Fee stream payments.

**Illustration of Fee-In-Lieu of Property Tax
Berkeley County
6%, 20-Year Fee, Locked Millage**

Year	Taxes with Abatement ¹	Payment with Fee	Savings with Fee	SSRC	Total Payment
1	\$127,625	\$91,992	\$35,632	\$22,998	\$68,994
2	\$112,969	\$80,622	\$32,347	\$20,156	\$60,467
3	\$98,008	\$69,253	\$28,756	\$17,313	\$51,939
4	\$82,736	\$57,883	\$24,854	\$14,471	\$43,412
5	\$67,149	\$46,513	\$20,637	\$11,628	\$34,885
6	\$64,638	\$35,143	\$29,494	\$8,786	\$26,357
7	\$44,163	\$23,773	\$20,389	\$5,943	\$17,830
8	\$23,272	\$12,403	\$10,868	\$3,101	\$9,303
9	\$19,587	\$10,336	\$9,251	\$2,584	\$7,752
10	\$19,783	\$10,336	\$9,447	\$2,584	\$7,752
11	\$19,981	\$10,336	\$9,645		\$10,336
12	\$20,181	\$10,336	\$9,844		\$10,336
13	\$20,382	\$10,336	\$10,046		\$10,336
14	\$20,586	\$10,336	\$10,250		\$10,336
15	\$20,792	\$10,336	\$10,456		\$10,336
16	\$21,000	\$10,336	\$10,664		\$10,336
17	\$21,210	\$10,336	\$10,874		\$10,336
18	\$21,422	\$10,336	\$11,086		\$10,336
19	\$21,636	\$10,336	\$11,300		\$10,336
20	\$21,853	\$10,336	\$11,516		\$10,336
TOTAL	\$868,973	\$541,617	\$327,356	\$109,564	\$432,053

¹ "All new distribution establishments or additions to existing distribution establishments in which an investment of \$50,000 or more is made, are entitled to a statutory abatement exemption from county operating taxes for a period of 5 years from the year of investment. However, if a company enters into a FILOT, they may not take advantage of the abatement. In order to show the savings that are solely attributable to the FILOT, we have included the abatement in our annual tax schedule calculation for illustration purposes only.

Assumptions

Machine/Equip	\$7,000,000
Millage Rate	0.2461
Abatable Millage	0.0510
Average growth	1.00%
Depreciation	11 %
Maximum Depr.	90%

FIVE YEAR ABATEMENT

Property not eligible, or which otherwise does not receive, a fee-in-lieu, may qualify for the manufacturer's abatement. *New* manufacturing facilities and all *additions* to existing manufacturing facilities (which are not in a fee-in-lieu,) costing \$50,000 more or more automatically receive a five year abatement or exemption from county property taxes. (The exemption does not apply to school or municipal taxes, although a municipality has the option of abating its taxes.)

Additionally where a manufacturer purchases an existing building (not in a fee-in-lieu) the county has the discretion to abate the taxes for a new five years where it preserves the facility and existing jobs.

POLLUTION CONTROL

South Carolina totally exempts from property taxation all property which are designed for the elimination, mitigation, prevention, treatment, abatement or control of water, air or noise pollution which is required by the state or federal government.

INVENTORY AND INTANGIBLES

South Carolina totally exempts all inventories and intangible personal property.

RESEARCH AND DEVELOPMENT

South Carolina provides a five year exemption from county property taxes of all facilities and machinery and equipment engaged in research and development. The exemption does not apply to school or municipal taxes although a municipality does have the authority to research exempt R&D. South Carolina basically adopts the federal IRC definition of "research and development."

SALES & USE TAX AND EXEMPTIONS

South Carolina's sales and use tax rate is 6%. Many counties (by approval of a majority of county voters) assesses an additional 1% local option sales tax.

Sales Tax Exemptions

South Carolina offers a number of complete sales tax exemptions for manufacturing facilities including:

- Manufacturing production machinery and applicable repair parts (machinery and equipment which is integral and necessary to the manufacturing process and used on an ongoing and continuous basis);

- Manufacturing materials that become an ingredient or component part of the finished product;
- Industrial electricity, coal, coke or other fuels used in manufacturing tangible personal property;
- Research and development equipment;
- Air, water and noise pollution control equipment;
- Material handling equipment for manufacturing or distribution projects investing \$35 million or more;
- Packaging materials; and
- Long distance telecommunication services, including 800 services.

Illustration of Sales Tax Exemption
Berkeley County

Total Manufacturing Equipment Investment	\$7,000,000
x State and Local Option Sales Tax	7%
Total Value	<u>\$490,000</u>

Sales Tax Caps

In addition to the sales tax exemptions, South Carolina further reduces a manufacturer's sales tax burden by providing a valuable sales tax cap of \$300 on the sale or lease of automobiles, trucks, boats, and aircraft.

JOB DEVELOPMENT CREDITS

In addition to the statutory and local discretionary incentives explained in the previous sections, South Carolina also has the Job Development Credit, a discretionary incentive that can address the specific needs of individual companies. The company's eligibility for the Job Development Credit is assessed by the Coordinating Council for Economic Development on a case-by-case basis.

The credit is a unique incentive that can potentially reduce, or in some cases completely offset, certain approved capital expenditures. Unlike tax credits or exemptions, this incentive is credited quarterly as a direct cash contribution. A manufacturer can only expect to collect Job Development Credits from employees earning an hourly wage (before benefits) that is equal to or more than that of a County's average hourly wage. (See average hourly wage chart below.) Such minimum wage requirement will be adjusted every five years to equal the County's average hourly wage as of the date of the adjustment as determined by the most current available data.

The manufacturer must submit an Application for Qualification for Enterprise Program Incentives to the South Carolina Coordinating Council for Economic Development. To be eligible to apply for Job Development Credits, the manufacturer must create at least 10 net new full-time jobs and must provide a benefits package that includes a comprehensive health plan. The manufacturer must pay 50% of an eligible employee's cost of health plan premiums to qualify for Job Development Credit benefits. The application process includes a \$4,000 non-refundable application fee, and the program has a \$500 annual renewal fee. As a general rule, a company has 30 days from the date of approval to commit to the project in South Carolina or the approval for Job Development Credits will be rescinded.

Only qualifying capital investments made within five years after the application has been approved (and any similar investments made sixty days prior to approval) can be considered. The manufacturer may be reimbursed for portions of the following types of expenditures:

- Land acquisition, building construction, site/building improvements including some tenant improvements to leased property, and in certain instances, lease costs;
- Public and private utility system upgrades (water, wastewater, electricity, natural gas, and telecommunications);
- Transportation facilities;
- Purchase/acquisition of "pollution control equipment" (equipment required to meet federal and state environmental requirements);
- Approved training costs not covered by readySC™, formerly the Center for Accelerated Technology Training (CATT), training facilities, export training, and apprenticeship programs;

The agreement with the Coordinating Council establishes the manufacturer's investment and employment commitments and completion dates used to claim the credit and identifies eligible expenditures. Once the manufacturer meets the investment and job creation targets outlined in the agreement, the earning window for collecting Job Development Credits begins. Companies may collect Job Development Credits for 10 years. The amount of Job Development Credit depends on the development status of the county in which the company is located, the number of jobs created, and the average wage rate. Job Development Credits will be capped at \$3,250 annually per employee.

As stated below, only employees who receive wages at or above the average county wage typically qualify. The DOR annually issues per capita income figures, which is used for other incentive purposes as well. Average per capita income is converted to average county wages by dividing per capita by 2,000 (i.e., a per capita income of \$30,000 equals \$15 per hour.) The 2011 per capita figures are found below:

County	Per Capita Income
Abbeville	\$26,509
Aiken	\$34,157
Allendale	\$23,949
Anderson	\$30,280
Bamberg	\$26,505
Barnwell	\$24,706
Beaufort	\$42,918
Berkeley	\$30,571
Calhoun	\$33,930
Charleston	\$39,536
Cherokee	\$25,211
Chester	\$28,000
Chesterfield	\$26,021
Clarendon	\$25,647
Colleton	\$27,806
Darlington	\$29,855

Dillon	\$24,772
Dorchester	\$30,265
Edgefield	\$31,352
Fairfield	\$27,395
Florence	\$34,178
Georgetown	\$37,177
Greenville	\$35,963
Greenwood	\$29,676
Hampton	\$25,891
Horry	\$29,101
Jasper	\$26,625
Kershaw	\$33,382
Lancaster	\$22,897
Laurens	\$26,945
Lee	\$24,872
Lexington	\$35,773
McCormick	\$25,440
Marion	\$24,750
Marlboro	\$23,641
Newberry	\$28,447
Oconee	\$32,499
Orangeburg	\$29,550
Pickens	\$27,487
Richland	\$36,302
Saluda	\$32,932
Spartanburg	\$30,242
Sumter	\$29,458
Union	\$28,223
Williamsburg	\$24,904
York	\$33,302

The Job Development Credit calculation is based on these criteria:

- The hourly wage rate paid to individual employees (shown in Table 1), and
- The development designation of the county (shown in Table 2).

Table 1: Enterprise Program Wage Guidelines

Average Hourly Wage (or Equivalent)	Maximum Rebate (As % of Gross Wages)
\$11.63-\$14.53	3%
\$14.54 -\$21.80	4%
\$21.81 and greater	5%

¹These values are adjusted annually.

Table 2: Enterprise Program
Classification & Credit Guidelines

County Classification	Maximum Credit (% Retained by Co.)
Tier 4	100%
Tier 3	85%
Tier 2	70%
Tier 1	55%

Example

Berkeley County is currently a Tier 1 county so a manufacturer would be able to retain 55% of its calculated Job Development Credits.

The following illustration outlines an estimated value of Job Development Credits for a manufacturer. This estimate is based on 120 new jobs that pay at and above the average hourly wage rate of \$14.42 in Berkeley County.

**Estimated Job Development Credit
Berkeley County**

County Average Wage		\$14.42
Number of Employees	100	20
x Estimated Hourly Wage	\$14.42	\$27.50
x 2000 hours/year	\$2,884,000	\$1,100,000
x JDC Rebate (%)	3%	5%
Net JDC	\$86,520	\$55,000
x County Classification	55%	55%
Annual JDC	\$47,586	\$30,250
x Maximum Years	10	10
	\$475,860	\$302,500
Total Value		\$778,360

Please note that the amount of Job Development Credits cannot exceed the amount of eligible expenditures approved by the South Carolina Coordinating Council for Economic Development.

SOUTH CAROLINA'S WORKER TRAINING PROGRAM (READYSC™)

For more than 40 years, readySC™, formerly the Center for Accelerated Technology Training (CATT), has been one of the state's most powerful economic development incentives. ReadySC™ (www.readysc.org) is one of the oldest, most experienced and highly touted workforce training programs in the country.

Their experienced professionals have unparalleled experience in helping organizations start-up quickly and efficiently in today's competitive environment. From workforce recruiting and testing to curriculum and materials development, from innovative, customized training design and delivery to experienced project management through every step of the process, readySC™ helps new and expanding industries by developing a motivated, high-quality workforce specific to an organization's individual needs. All of this is provided for the company at little to no cost.

Hallmarks of readySC™'s highly-acclaimed program include: flexibility, responsiveness, consistency, excellence, client focus and effectiveness. Ultimately, readySC™ provides new and expanding companies that choose to locate in South Carolina the ability to find and train the right people at the right time with the right skills and motivation.

Why readySC™ is Unique

Constantly blazing new trails, readySC™ is the benchmark among state training programs in the United States. The following represents a few of the qualities that set its program apart.

- **Centrally Administered, Yet Locally Managed:** The expertise of the statewide network of technical colleges is available to each of readySC™'s clients while still being managed locally and focused specifically on the individual needs of the client company's workforce.
- **Experienced and Dedicated Personnel:** Unlike other training programs, readySC™ has unparalleled experience in start-ups. Our dedicated personnel, many of whom come from industry, have successfully helped with hundreds of start-ups and expansions in a wide array of industries
- **Extensive Resources and Infrastructure:** When readySC™ commits to recruit, screen, and train a company's new employees, the process can begin immediately because of their well-equipped facilities, trained instructors, and established and productive relationships.
- **Multi-tiered Screening Process:** After several screenings by the local Job Service and readySC™ staff, our client companies identify those candidates who will go into the training program. ReadySC™'s ultimate goal is to provide five qualified candidates for every position the company plans to immediately staff.
- **No Red Tape:** Unlike some states where grant funding is used to offset training costs and can often get bogged down with strict requirements, South Carolina's program boasts no red tape to hinder the process. It can move quickly to find and train the right people for your organization.
- **Quality of Trainees:** Because trainees sign a statement certifying that they are not guaranteed a job, their motivation to train is based on the opportunity to improve their existing skills and hopefully transition to a better career. As a result, the program attracts self-motivated and disciplined individuals who are capable of helping your company better compete in the global marketplace.

- **Project Management:** ReadySC™ prides itself on its project management approach. It will assign an experienced project manager to develop a project plan for recruitment and training for your company. The plan will include scope, schedule, processes for change management and feedback, and quality assurance processes.

ReadySC™'s work falls into three main areas: discovery, design, and delivery.

- **Discovery:** The first phase utilizes the latest tools and methods to document your company's processes, work methods, corporate culture, and the skills and knowledge your company requires of its specialized workforce. A recruitment strategy is also developed in this phase utilizing targeted advertisements, free media, job fairs, and the internet.
- **Design:** During the second phase, the actual training program is created and developed. The training program will include customized curricula, materials, methodology, and training staff.
- **Delivery:** All of the hard work and planning outlined in the previous two phases come together in the delivery phase. ReadySC™ excels at designing the customized program your company needs to successfully and quickly begin operations.

Customization is Key

ReadySC™ believes strongly that a cookie-cutter approach is not the solution. It has a process for customizing the solution to meet the needs of our individual clients.

First, it visits your facility to observe your processes and technology as well as to experience first hand your company philosophy and culture. Next, it works with you to develop a plan for reaching your recruiting and training needs.

Once a plan is in place it will begin the process of recruiting. The recruiting phase includes advertising, pre-screening, assessment and selection of trainees. After trainees are selected it delivers pre-employment training, structured OJT or a combination of the two. It also can deliver fast-track degree training.

South Carolina is one of the few states in the nation that provides project management staff for the duration of the training project. Most customers find this to be an invaluable asset when in a startup or expansion status. ReadySC™'s staff has been in the training business for over 40 years and brings to each project a level of professionalism and experience that only enhances the overall effort.

Innovative, Cutting Edge Training Techniques

Training is what it does and does very well. But it often finds that training is thought of as courses given by experts in locations outside of the workplace. Typically, companies scan training brochures to select courses they hope will meet their needs. That is not the way that readySC™ approaches training for our clients. It believes the only way to truly bridge the gap between training and the actual workplace is to make the training as realistic and relevant as possible and customize not only the content but also the delivery. Sometimes this means using the latest technology to deliver a message.

The staff of readySC™ is committed to ensuring a manufacturer's success in South Carolina and will help manufacturers gain the competitive advantage through training. The illustration below is an estimated value of the readySC™ services provided to manufacturers to recruit and train potential employees based on the creation of 120 qualifying jobs.

Example

Illustration of readySC™ Value

Estimated Value of readySC™ Services	\$2,500
x Number of Employees	120
Total Value	<u>\$300,000</u>

This is an estimated value of readySC™'s contribution to the project. The actual value may be more or less than estimated. This illustration does not create a commitment on the part of readySC™ or any other agency to provide training or assistance at the estimated monetary value, and to the extent the services provided by readySC™ do not rise to the monetary level outlined above, the company is not entitled to any payment or rebate of money based on the estimate.

OTHER RESOURCES

South Carolina Department of Commerce www.sccommerce.com

South Carolina Department of Revenue www.sctax.com

Many counties and economic development Alliances offer additional information on their websites.

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