



MILK CREDIT

dor.sc.gov

20 _____

Name

SSN or FEIN

This form must be attached to the SC1040, SC1065, SC1120, or SC1120S.

1. Enter the number of pounds of milk produced and sold during Calendar Year _____, as certified by the Commissioner of Agriculture. _____ lbs.
If less than 500,000 pounds, **STOP**. You do not qualify.
2. Enter \$2,500 if line 1 is greater than or equal to 500,000 pounds.....\$ _____
3. Subtract 500,000 pounds from line 1..... _____ lbs.
4. Divide line 3 by 500,000 pounds and round down to the nearest whole number..... _____
5. Multiply line 4 by \$1,250.....\$ _____
6. Add lines 2 and 5.....\$ _____
7. Enter the number of quarters in Calendar Year _____ to which the credit applies, as certified by the Commissioner of Agriculture..... _____
8. Multiply line 6 by line 7. Enter here and on the appropriate line of your tax return.....\$ _____
This is the amount of the credit.

Instructions:

For taxable years beginning after 2004, a refundable credit against Individual or Corporate Income Tax is available to resident taxpayers engaged in the business of producing milk for sale. This refundable credit is based on the amount of milk produced and sold.

The credit amount is \$10,000 for the first 500,000 pounds of milk produced and sold below the production price over a calendar year, and \$5,000 for each additional 500,000 pounds of milk produced and sold below the production price during the calendar year. Credits must be prorated on a quarterly basis.

The SC Commissioner of Agriculture will certify to the SCDOR which producers are eligible to claim the credit and the amount of the credit.

The credit is allowed when the USDA Class I price of fluid milk in South Carolina drops below the production price as determined by the SC Department of Agriculture (SCDA). The production price is based on such factors as: (1) the average price of milk in the top five states where milk is imported to South Carolina; (2) the average transportation cost of importing milk from those five states; and (3) the cost of production in South Carolina. The SCDA regulations are available at **agriculture.sc.gov**.

Once all information is available, the average production price is posted on the SCDA website at **agriculture.sc.gov** and is available in the SC Commissioner of Agriculture's Office.

The SCDA provides a form to be completed and signed by all dairy producers filing for this credit. The form is for certifying the amount of milk produced and sold by a specific producer for the entire taxable year. The form includes a sworn statement by the producer regarding the accuracy of the information listed.