- self-employment health insurance deduction
- IRA deduction
- repayment of sub-pay

South Carolina earned income is generally income you receive from services you provide. Compute the earned income for you and your spouse separately.

Earned income **includes**	Earned income **does not** include
wages	gambling winnings
salaries	bingo winnings
tips	interest
commissions	dividends
sub-pay	Social Security benefits
self-employment income	IRA distributions
business income or loss	retirement plan or annuity benefits
partnership income or loss	deferred compensation
farm income or loss	any amount your spouse paid you

Example: A taxpayer earned a salary taxed to South Carolina of $40,000. The taxpayer's qualified earned income is $40,000. Their spouse earned wages of $17,000 taxed to South Carolina and had an IRA deduction of $1,000. The spouse's qualified earned income is $16,000 ($17,000- $1,000). The credit is based on the spouse's qualified earned income, because it is the lesser of the two. The credit is $112 ($16,000 x .007).

Worksheet for Two Wage Earner Credit		
	(a) You	**(b) Your spouse**
1. Wages, salaries, and tips taxed to South Carolina (Do not include pensions or annuities)		
2. Net profit or loss from self-employment (from Schedule C) and any other income taxed to South Carolina		
3. Add line 1 and line 2. (This is your total earned income taxed to South Carolina.)		
4. Add the adjustment amounts from your federal 1040. (See adjustments above.) If filing Schedule NR, enter amounts from Column B, lines 21, 22, 23, 26, and any repayment of supplemental unemployment benefits (sub-pay) allocable to South Carolina income.		
5. Subtract line 4 from line 3. (This is your qualified earned income taxed to South Carolina.) If the amount in Column (a) or Column (b) is zero or less, you may not take this credit.		
6. Enter the lesser of 5(a) or 5(b). **Cannot be greater than $50,000.**		
7. Allowable credit (multiply line 6 by .007). Enter on line 12. **Cannot be greater than $350.**		