



**APPLICATION FOR EXCEPTIONAL  
NEEDS CHILDREN EDUCATIONAL CREDIT**

Name(s) As Shown On Tax Return				SSN or FEIN	
Spouse Name (if Co-Contributor)				SSN	
Address				Phone	
City	County	State	Zip	Email	

**PART I. Nonrefundable Educational Credit (Contributions Made to Nonprofit Scholarship Funding Organizations)**

1. Did you contribute to a nonprofit scholarship funding organization?  YES  NO

If you answered "NO" you do not qualify for the nonrefundable educational credit. Go to Part II.

2. Complete the table below detailing your contribution(s) to a Nonprofit Scholarship Funding Organization.

Date of the Contribution	Nonprofit Scholarship Funding Organization	Type of Contribution		Contribution Amount
		<input type="checkbox"/> Cash	<input type="checkbox"/> Publicly traded Securities	
			# of Shares   Share Price	
			# of Shares   Share Price	

**Next:** If you made any contribution as tuition to an eligible school go to Part II otherwise go to Part III.

**PART II. Refundable Educational Credit (Contributions as Tuition to Eligible Schools for Exceptional Needs Children)**

1. Are you an individual who have custody or care for a qualifying student enrolled in an eligible school?  YES  NO

2. Did you contribute as tuition to this eligible school for your exceptional needs child?  YES  NO

If you answered "NO" to either question, you do not qualify for the refundable educational credit. Go to Part III

3. What is the cost of tuition? \_\_\_\_\_

4. Complete the table below detailing the contributions made as tuition to an eligible school.

Date of the Contribution	Eligible School	Qualifying Student	Type of Contribution		Contribution as Tuition
			<input type="checkbox"/> Cash	<input type="checkbox"/> Publicly traded Securities	
				# of Shares   Share Price	
				# of Shares   Share Price	

**PART III. Date and Signature(s)**

I certify that all information on this application, including any attachment is true and correct to the best of my knowledge.

<b>SIGN HERE</b>	TAXPAYER OR OFFICER'S SIGNATURE	DATE	SPOUSE'S SIGNATURE (IF APPLICABLE)	DATE

Mail to: SC Department of Revenue, Research & Forms Development, P.O. Box 125, Columbia, SC 29214-0019

Express Mail to: SC Department of Revenue, Research & Forms Development, 300A Outlet Pointe Blvd, Columbia, SC 29210

or E-mail a pdf of this application to: [TaxTech@dor.sc.gov](mailto:TaxTech@dor.sc.gov)

# Instructions for Form SC SCH. TC-57A Educational Credit for Exceptional Needs Children

## Purpose of Form

Use SC SCH. TC-57A to apply for the Educational Credit for Exceptional Needs Children. There are two types of educational credits for exceptional needs children. There is a nonrefundable credit and a refundable credit.

- An individual, partnership, corporation or other similar entity is entitled to the **nonrefundable tax credit** against income taxes or bank taxes for the amount of cash and the monetary value of any publicly traded securities the person contributes to a nonprofit scholarship funding organization.
- An **individual** is entitled to the **refundable tax credit** against income taxes or bank taxes for the amount of cash and the monetary value of any publicly traded securities not exceeding \$10,000 per child, the individual contributes as tuition for exceptional needs children within their custody or care and enrolled in eligible schools. This refundable credit may not cumulatively exceed a total of four million dollars.

## General Information

### Definitions

**“Exceptional needs child”** means a child (a)(i) who has been evaluated in accordance with this State’s evaluation criteria as set forth in S.C. Code Ann. Regs. 43-243.1 and determined eligible as a child with a disability who needs special education and related services in accordance with the requirements of Section 300.8 of the Individual with Disabilities Education Act or (ii) who has been diagnosed within the last three years by a licensed speech-language pathologist, psychiatrist, or medical mental health psychoeducational or other comparable licensed health care provider as having a neurodevelopmental disorder, a substantial sensory or physical impairment such as deaf, blind or orthopedic disability, or some other disability or acute or chronic condition that significantly impedes the student’s ability to learn and succeed in school without specialized instructional and associated supports and services tailored to the child’s unique needs; and (b) the child’s parents or legal guardian believes that the services provided by the school district of legal residence do not sufficiently meet the needs of the child.

**“Nonprofit scholarship funding organization”** means a charitable organization that (a) is exempt from federal tax pursuant to Section 501(a) of the Internal Revenue Code by being listed as an exempt organization in Section 501(c)(3) of the Code; (b) allocates, after its first year of operation, at least ninety-seven percent of its annual contributions and gross revenue received during a particular year to provide grants for tuition to children enrolled in an eligible school meeting the criteria of this proviso and incurs administrative expenses annually, after its first year of operation, of not more than three percent nor more than \$200,000 in the aggregate, whichever is less, of its annual contributions and revenue for a particular year to cover its operational costs; (c) allocates all of its funds used for grants on an annual basis to children who are exceptional needs students; (d) does not provide grants solely for the benefit of one school, and if the Department determines that the nonprofit scholarship funding organization is providing grants to one particular school, the tax credit allowed by this proviso may be disallowed; (e) does not have as a volunteer, contractor, consultant, fundraiser or member of its governing board any parent, legal guardian, or member of their immediate family who has a child or ward who is currently receiving or has received a scholarship grant authorized by this proviso from the organization within one year of the date the parent, legal guardian, or member of their immediate family became a board member; (f) does not have as a member of its governing board or an employee, volunteer, contractor, consultant, or fundraiser who has been convicted of a felony; (g) does not release personally identifiable information pertaining to student or donors or use information collected about donors, students or schools for financial gain; and (h) must not place conditions on schools enrolling student receiving scholarship to limit the ability of the schools to enroll student accepting grants from other nonprofit scholarship funding organization.

**“Eligible school”** means an independent school including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met, that; (a) offers a general education to primary or secondary school student; (b) does not discriminate on the basis of race, color, or national origin; (c) is located in this State; (d) has an educational curriculum that includes course set forth in the state’s diploma requirements and where the students attending are administered national achievement or state standardized tests, or both, at progressive grade levels to determine student progress; (e) has school facilities that are subject to applicable federal, state, and local laws; and (f) is a member in good standing of the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools, or the South Carolina Independent Schools Association.

**“Parent”** means the natural or adoptive parent or legal guardian of a child.

**“Person”** means an individual, partnership, corporation or other similar entity.

**“Qualifying student”** means a student who is an exceptional needs child, a South Carolina resident, and who is eligible to be enrolled in a South Carolina secondary or elementary public school at the kindergarten or later year level for the applicable school year.

**“Tuition”** means the total amount of money charged for the cost of a qualifying student to attend an independent school including, but not limited to, fees for attending the school, textbook fees, and school-related transportation.

## Educational Credits

### Credit Limit

- Cumulatively, the total nonrefundable and refundable credit authorized by this proviso may not exceed \$12 million.
- Total refundable credit may not exceed \$4 million.
- If the Department determines that the total of such credits claimed may exceed the cumulative total of \$12 million or the \$4 million cap on the refundable credit, the Department shall allow credits only up to those amounts on a first come, first served basis.
- A person only may claim a credit pursuant to this proviso for contributions made between July 1, 2015 and June 30, 2016.

### Nonrefundable Educational Credit

- A person is entitled to a nonrefundable tax credit for the amount of cash or publicly traded securities the person contributes to a nonprofit scholarship funding organization.
- A taxpayer may not claim more than sixty percent of their total tax liability for the year in contribution towards the tax credit.
- If the taxpayer deducts the amount of the contribution on the taxpayer's federal return and claims the credit allowed, then the taxpayer must add back the amount of the deduction for South Carolina income taxes.
- A corporation or entity entitled to the nonrefundable educational credit may not convey, assign, or transfer the credit to another entity unless all of the assets of the entity are conveyed, assigned, or transferred in the same transaction.

### Refundable Educational Credit

- An individual is entitled to a refundable tax credit for the amount of cash or publicly traded securities the individual contributes as tuition to an eligible school for a qualifying student not exceeding \$10,000 dollars per child.
- If a qualifying student within the care and custody of an individual receives a tuition scholarship from a nonprofit scholarship funding organization, then the individual may only claim a credit equal to the difference of ten thousand dollars or the cost of tuition, whichever is lower and the amount of the scholarship.

### Specific Instructions

**IMPORTANT:** Complete and submit SC SCH. TC-57A **only** after the contribution has been made.

#### Part I Nonrefundable Educational Credits

- Line 1. Continue with Part I if a contribution was made to a Nonprofit Scholarship Funding Organization. If zero Contribution was made to a Nonprofit Scholarship Funding Organization, go to Part II.
- Line 2. Complete the table in its entirety. Enter the date the contribution was made, the name of the Nonprofit Scholarship Funding Organization, the type of contribution and the contribution amount. For the publicly traded securities, average the high share price and the low share price on the date the contribution was made to arrive at the share price amount.
- Line 3. If contribution was also made to an eligible school, go to Part II, otherwise proceed to Part III.

#### Part II Refundable Educational Credits

- Line 1. Answer the question to determine eligibility for the refundable credit.
- Line 2. Answer the question to determine eligibility for the refundable credit
- If the answer to Line 1 and Line 2 are "Yes" continue with Part II, otherwise go to Part III.**
- Line 3. Enter the cost of tuition.
- Line 4. Complete the table in its entirety. Enter the date the contribution was made, the name of the eligible school, the qualifying student's name, the contribution type and the contribution amount. For the publicly traded securities, average the high share price and the low share price on the date the contribution was made to arrive at the share price amount. If contribution was made on behalf of more than one child, attach a sheet containing the date of the contribution, the eligible school, the qualifying student's name, the type of contribution, and the contribution as tuition amount to this application.

#### Part III Signature

Sign and date your application. Mail or e-mail your completed application and any attachments to the address listed at the bottom of the application.