



## 2021 MOTOR FUEL INCOME TAX CREDIT

Please circle YES or NO for each of the 6 questions.

## RESIDENT TAXPAYER ELIGIBILITY FOR THE CREDIT

Is the taxpayer claiming the credit a resident of South Carolina?  
(See instructions of this form for definition of resident taxpayer.)

NO → NOT ELIGIBLE

YES → **YES NO** ← **Circle one**

Is the vehicle, for which the credit is being claimed, one of the following?

- a. car
- b. minivan
- c. sport utility vehicle
- d. pickup truck with an empty weight of 9,000 pounds or less and a gross weight of 11,000 pounds or less
- e. motorcycle
- f. motorcycle three-wheel vehicle
- g. moped **NOTE: For the purposes of this credit, a moped did not become an eligible vehicle until November 19, 2018**

NO → NOT ELIGIBLE

YES → **YES NO** ← **Circle one**

Is the vehicle, for which the credit is being claimed, registered in South Carolina in the name of the resident taxpayer?

NO → NOT ELIGIBLE

YES → **YES NO** ← **Circle one**

Is the vehicle, for which the credit is being claimed, a travel trailer, tractor, boat, golf cart, all-terrain vehicle, or all-electric vehicle?

YES → NOT ELIGIBLE

NO → **YES NO** ← **Circle one**

Do you have records of preventative maintenance costs incurred in SC for each vehicle for which the credit is being claimed?

NO → NOT ELIGIBLE

YES → **YES NO** ← **Circle one**

Do you have records to prove the number of gallons of motor fuel purchased in SC for each vehicle for which the credit is being claimed?

NO → NOT ELIGIBLE

YES → **YES NO** ← **Circle one**

**ELIGIBLE FOR MOTOR FUEL INCOME TAX CREDIT**

NOTE: each taxpayer may claim a credit on up to 2 vehicles.

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Answer every question identified with an arrow for each vehicle a credit is claimed

STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE



dor.sc.gov

2021 MOTOR FUEL INCOME TAX CREDIT

I-385  
(Rev. 10/3/18)  
3722

NAME OF TAXPAYER

SOCIAL SECURITY NUMBER/FEIN

**DO NOT COMPLETE**

PART I - VEHICLE INFORMATION

VEHICLE 1 REGISTERED IN SOUTH CAROLINA		VEHICLE 2 REGISTERED IN SOUTH CAROLINA	
Registered Name		Registered Name	
Make		Make	
Model		Model	
Year		Year	
Tag #		Tag #	
If vehicle is a truck, is the empty weight 9,000 pounds or less and the gross weight 11,000 pounds or less? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, truck does not qualify for the credit		If vehicle is a truck, is the empty weight 9,000 pounds or less and the gross weight 11,000 pounds or less? <input type="checkbox"/> Yes <input type="checkbox"/> No If no, truck does not qualify for the credit	
Is the vehicle registered in the name of a sole proprietorship or disregarded LLC? If yes, check the box. <input type="checkbox"/>		Is the vehicle registered in the name of a sole proprietorship or disregarded LLC? If yes, check the box. <input type="checkbox"/>	
Did the above listed vehicle replace a trade-in or totaled vehicle? If yes, check the box. <input type="checkbox"/>		Did the above listed vehicle replace a trade-in or totaled vehicle? If yes, check the box. <input type="checkbox"/>	

PART II - PREVENTATIVE MAINTENANCE COSTS INCURRED IN SOUTH CAROLINA

	Vehicle 1 - Maintenance Costs	Vehicle 2 - Maintenance Costs
New Tires	.00	.00
Oil Changes	.00	.00
Regular Maintenance	.00	.00
Other	.00	.00
<b>Total</b>	.00	.00

PART III - INCREASE IN SOUTH CAROLINA MOTOR FUEL USER FEE

	Vehicle 1 - User Fee Increase	Vehicle 2 - User Fee Increase
Number of Gallons purchased in SC x Average Motor Fuel User Fee Increase for 2021 = 9¢ (.09)	x .09	x .09
<b>Total</b>	.00	.00

PART IV - MOTOR FUEL INCOME TAX CREDIT COMPUTATION

Vehicle 1		Vehicle 2	
Lesser of the <b>Total</b> from Part II or III	.00	Lesser of the <b>Total</b> from Part II or III	.00
x Credit Adjustment Factor for 2021 = 100%	x 1.000	x Credit Adjustment Factor for 2021 = 100%	x 1.000
<b>Total Credit</b>	.00	<b>Total Credit</b>	.00
<b>TOTAL MOTOR FUEL INCOME TAX CREDIT (Vehicle 1 + Vehicle 2)</b>		.00	

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# INSTRUCTIONS FOR I-385 (MOTOR FUEL INCOME TAX CREDIT) (Rev. 10/3/18)

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## Purpose of Form I-385

Use form I-385 if you are a resident taxpayer claiming a refundable credit for the lesser of the increase in South Carolina motor fuel user fee you paid during the tax year or the preventative maintenance costs you incurred in South Carolina during the tax year.

## Additional Information

For more information about calculating and claiming the motor fuel income tax credit, see South Carolina Revenue Ruling #17-6.

Learn more about the South Carolina Code of Laws and Revenue Rulings at [dor.sc.gov/policy](http://dor.sc.gov/policy).

## Definitions and Terms

**Resident Taxpayer.** A "resident individual" is an individual domiciled in South Carolina. A resident individual includes a "part-year resident" (individual who is a resident individual for only a portion of the tax year). A "resident corporation" is a corporation whose principal place of business is located in South Carolina. A "resident partnership" is a partnership whose principal place of business is located in South Carolina.

**Private Passenger Motor Vehicle.** A private passenger motor vehicle is defined as a:

- motor vehicle designed, used, and maintained for the transportation of 10 or fewer persons and
- truck having an empty weight of 9,000 pounds or less and a gross weight of 11,000 pounds or less. (SC Code Section 56-3-630)

Based on the above, vehicles that qualify for the credit include cars, minivans, sport utility vehicles, and pickup trucks of a certain weight.

**Motorcycle.** A motorcycle is a motor vehicle having no more than two permanent functional wheels in contact with the ground or trailer and having a saddle for the use of the rider. A motorcycle three-wheel vehicle or motor-driven cycle registered in South Carolina in the name of the resident taxpayer each qualify for the credit. For the purposes of this credit, a moped did not become an eligible vehicle until November 19, 2018.

**NOTE:** Examples of motorized items that **do not** qualify for the credit include the following: truck having empty weight over 9,000 pounds and a gross weight over 11,000 pounds, tractor, travel trailer, boat, golf-cart, all-terrain vehicle, or all-electric vehicle. For complete definitions, see Title 56.

## Recordkeeping

If you claim this credit, you must keep records to prove the date, amount, and the type of the preventative maintenance expenses incurred in South Carolina for each vehicle and records to prove the number of gallons of motor fuel purchased in South Carolina for each vehicle. Records may include gas receipts and paid maintenance invoices. Credit card statements may be used if they show the number of gallons purchased in South Carolina during the year. Do not submit your receipts and records with your return, but keep the documentation used to compute the credit as part of your permanent records to provide to SCDOR if the SCDOR questions the credit on your return.

## Part I

A credit is allowed for up to two vehicles registered in South Carolina per resident taxpayer. The credit is computed separately for each vehicle or motorcycle (i.e., Vehicle 1 and Vehicle 2).

If you claim the credit for a vehicle registered in South Carolina in your name, you must answer certain questions and provide specific information about your vehicle or motorcycle. The information relates to the identification of the vehicle or motorcycle - the make, model, and year of the vehicle, and the vehicle tag number.

**Combination of Two Vehicle or Motorcycles.** A taxpayer may claim a credit for up to two private passenger motor vehicles or motorcycles, provided the vehicles or motorcycles are registered in South Carolina in the name of the resident taxpayer. If a taxpayer owns or leases more than two vehicles or motorcycles in the tax year, then the taxpayer may choose a combination of any two to use in computing the credit. The choice of qualifying vehicles is made each tax year by each taxpayer. One taxpayer may **not** claim a credit for two private passenger vehicles and two motorcycles. (See Trade-In or Total Loss Vehicle below.)

**Trade-In or Total Loss Vehicle ("One Vehicle Equivalent").** A taxpayer who trades in or totals a vehicle eligible for the credit (Vehicle A) and replaces it with another eligible vehicle (Vehicle B) may count Vehicles A and B as "one vehicle equivalent" (Vehicle 1) when determining the number of vehicles a taxpayer may use in computing the credit. The taxpayer will combine the motor fuel expenses and the preventative maintenance expenses of the "old" vehicle (Vehicle A) and the "new" vehicle (Vehicle B) and report the combined expenses for purposes of this credit as Vehicle 1. If the taxpayer owns another eligible vehicle (Vehicle C), then it may qualify as Vehicle 2 in computing the credit.

**Married Filing Jointly Status.** If your filing status is married filing jointly for the tax year, each taxpayer should complete a separate Form I-385. For a couple filing a joint return, the number of vehicles or motorcycles eligible for the credit by each taxpayer depends upon the name or names in which the vehicle is registered. Each taxpayer may claim a credit for up to two private passenger motor vehicles or motorcycles registered in his or her name. They may not both claim a credit on the same vehicle. It is possible for a couple filing a joint return to claim credit for up to four vehicles or motorcycles.

**Sole Proprietorship or Disregarded Limited Liability Company.** For a vehicle registered in the name of a sole proprietorship, the individual owning the sole proprietorship is the taxpayer for the purposes of this credit. For a vehicle registered in the name of a disregarded single member limited liability company, the owner of the disregarded entity (i.e., the individual, partnership, or corporation) is the taxpayer for the purposes of the credit.

If a resident individual owns two vehicles in his or her name and his or her sole proprietorship owns one vehicle in its name then the individual must choose which two of the three vehicles to use in computing the credit. The individual may not claim a credit for three vehicles and the sole proprietorship may not claim a credit for any vehicle. The result is the same if the vehicle is owned in the name of a single member limited liability company that is disregarded for tax purposes.

## Part II

Enter actual preventative maintenance expenses for new tires, oil changes, regular maintenance, and other preventative maintenance incurred in South Carolina during the tax year for operating the vehicle. If you have two vehicles registered in your name, use a separate column in Part II for each vehicle - Vehicle 1 and Vehicle 2. Keep separate records for each vehicle.

**NOTE:** General costs associated with owning, operating, and registering a vehicle are not eligible for the credit. Examples of ineligible costs are infrastructure maintenance fees paid upon registering a vehicle in SC, license plate fees, insurance, property taxes, interest expense on vehicle loans, costs reimbursed by insurance, or body and paint work expenses.

## Part III

Enter the total annual gallons of gasoline, gasohol, diesel, or alternative fuel (e.g., compressed natural gas, liquefied petroleum gas, or liquefied natural gas) purchased in South Carolina during the tax year for operating the vehicle. If you have two vehicles registered in your name, use a separate column in Part II for each vehicle - Vehicle 1 and Vehicle 2. Keep separate records for each vehicle. The expenses are determined based on actual expenses. The computation of the credit is determined without regard to a taxpayer: (1) deducting the South Carolina fuel and maintenance expenses as an ordinary and necessary business expense, (2) deducting the employee business expense as a miscellaneous itemized deduction, or (3) receiving any mileage reimbursement provided by an employer. See Internal Revenue Code Sections 162 and 212 at [irs.gov](https://www.irs.gov).

For taxpayers using compressed natural gas (measured in cubic feet), liquefied petroleum gas, or liquefied natural gas in eligible vehicles, the product must be converted to gallon equivalents in order to determine the motor fuel user fee increase per gallon. Each 126.67 cubic feet of compressed natural gas (or 5.66 pounds if the compressed natural gas is dispensed via a mass flow meter) equals one gallon of motor fuel. Each gallon of liquefied petroleum gas equals .73 of a gallon. Each 6.06 pounds of liquefied natural gas equals one gallon of motor fuel. See SC Code Sections 12-28-120, 12-28-110(73), and 12-28-110(74) at [dor.sc.gov/policy](https://dor.sc.gov/policy).

**NOTE:** You must have records (receipts) of both preventative maintenance costs incurred in South Carolina and records (receipts) to prove the number of gallons of motor fuel purchased in SC for each vehicle for which the credit is being claimed. Reporting zero in Part II or Part III for a vehicle prevents the vehicle from being eligible for the credit.

## Part IV

For Vehicle 1, enter the lesser of the preventative maintenance costs incurred in South Carolina or the increase in the South Carolina motor fuel user fee. For Vehicle 2, enter the lesser of the preventative maintenance costs incurred in South Carolina or the increase in the South Carolina motor fuel user fee.

Add the amounts from both columns and enter the total motor fuel income tax credit. Enter the total motor fuel income tax credit on your income tax return.

To account for the maximum credit amount, the Revenue and Fiscal Affairs Office will provide the SCDOR a credit "adjustment factor" each year if necessary. This method of determining the maximum credit allows all qualifying taxpayers an opportunity to receive a motor fuel income tax credit. The credit adjustment factor applicable to a tax year, if necessary, will be provided each year on form I-385.

**See specific income tax form instructions** for rules on where to enter the refundable Motor Fuel Income Tax Credit amount.