



Out of State Taxable Wage Reporting

- The automation to the Out of State Taxable Wage Credit calculation took effect as of 03/11/2021. This automation further improves the employers experience and reduces errors in proper reporting.
- An account that continues to report out of state taxable wages in each quarter will not be given credit for the same SSN/employee. If an Employer/Agent continues to have out of state taxable wages reported in multiple quarters, then they will need to refer to the Localization Tests to determine where the **multi state employee** wages should properly be reported. Read about Multi-State Exceptions for “For-Profit” businesses here: <https://www.dew.sc.gov/employers/employer-resources>
- The Out of State Taxable wage credit calculation occurs only in the quarter the individual employee starts having reportable wages in S.C. The Out of State taxable wage credit is not calculated if prior quarter wages have been reported to South Carolina.
- The amount of out of state taxable wages reported to South Carolina, in a quarter, can be a year-to-date total of taxable wages reported in another state.
 - For example: If an employee transfers from Ohio to S.C. in the third quarter, the employer may report the year to date total out of state (Ohio’s) taxable wages in the third quarter. This is meant for relocation of employees and to ensure that the employer receives proper credit for the taxable wages they have already paid in another state.
- Once the out of state taxable wage credit has been claimed for an employee, it may not be claimed again until 2 successive calendar years have passed for that same employee.
- The out of state taxable wage credit is not calculated for invalid or dummy SSNs. When the correct SSN is provided, the credit will be calculated.

Amendments:

- Original wage reports submitted will not be re-processed with the implementation of the automated calculation functionality.
- Employers and Agents will still be able to amend prior reported wages.
- If prior reported wages are amended, then the automated calculation will be enacted for that calendar year reports including original wage reports not amended.
- After review of localization material, accounts can make adjustments for **multi-state employees** that have been reported in error or not correctly reported to South Carolina.

Read about Multi State Exceptions for “For-Profit” businesses here:

<https://www.dew.sc.gov/employers/employer-resources>