



**SOUTH CAROLINA HOUSING TAX CREDIT**

Name	SSN or FEIN
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If credit was received from a pass-through entity, name and FEIN of entity

- 1. Number of building projects certified by SC Housing ..... 1. \_\_\_\_\_
- 2. Total credit allowed by SC Housing for the projects reported on line 1 ..... 2. \_\_\_\_\_  
(add the credit amounts reported on each eligibility statement)
- 3. Current year tax liability ..... 3. \_\_\_\_\_
- 4. Allowable credit (lesser of line 2 or line 3)..... 4. \_\_\_\_\_  
Individuals: enter the credit on the SC1040TC. Corporations: enter the credit on the SC1120TC
- 5. Credit carryforward (subtract line 4 from line 2)..... 5. \_\_\_\_\_  
Unused credits can be carried forward for up to five years.

**INSTRUCTIONS**

The South Carolina Housing Tax Credit is available to eligible owners of residential low-income rental buildings. The credit applies to projects placed in service after January 1, 2020 and before December 31, 2030.

To be eligible for the credit, a project must receive an eligibility statement issued by the South Carolina Housing and Finance Development Authority (SC Housing) certifying that the project qualifies for the credit and specifying the amount of the credit allowed for the project. The eligibility statement must be issued after May 14, 2020. The credit amount is equal to the federal low-income housing credit allowed under IRC Section 42.

In order to receive your eligibility statement, you must submit a report to SC Housing detailing how the credit will benefit tenants at the project (for example, reduced rent) or why the credit is necessary for you to undertake the project.

You may claim the credit against your Income Taxes, License Fees, Bank Taxes, or Insurance Premium Taxes.

If a portion of any federal housing tax credit taken on a project is required to be recaptured, the taxpayer claiming a South Carolina credit for that project is also required to recapture a portion of the South Carolina credit.

The credit, and any recaptured credit, must be allocated among some or all of the partners, members, or shareholders of the entity owning the project. Allocation can be done in any manner agreed to, regardless of whether the partners, members, or shareholders are allocated or allowed any portion of the federal housing credit.

Taxpayers receiving the credit from a pass-through entity should enter the name and FEIN of the entity earning the credit. Enter the amount of credit received from the entity on line 2.

**Definitions**

**Qualified Project:** a qualified low-income building as defined in Internal Revenue Code Section 42 that is located in South Carolina and receives approval for tax credits from SC Housing.

**Project:** a housing project that has restricted rents that do not exceed 30% of income for at least 40% of its units occupied by persons or families having incomes of 60% or less of the median income, or at least 20% of the units occupied by persons or families having incomes of 50% or less of the median income.

**Median Income:** incomes that are determined by the federal Department of Housing and Urban Development guidelines and adjusted by family size.

Unused credits can be carried forward for up to five years.

Find more information about this credit at [dor.sc.gov/policy](http://dor.sc.gov/policy).

If you file by paper, attach this form and the eligibility statements issued by SC Housing to your Income Tax return. If you file electronically, keep a copy with your tax records.

**Social Security Privacy Act Disclosure**

It is mandatory that you provide your Social Security Number on this tax form if you are an individual taxpayer. 42 U.S.C. 405(c)(2)(C)(i) permits a state to use an individual's Social Security Number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SCDOR must provide identifying numbers, as prescribed, for securing proper identification. Your Social Security Number is used for identification purposes.

**The Family Privacy Protection Act**

Under the Family Privacy Protection Act, the collection of personal information from citizens by the SCDOR is limited to the information necessary for the SCDOR to fulfill its statutory duties. In most instances, once this information is collected by the SCDOR, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.