



**RECAPTURE OF  
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. Federal Housing Credit recapture amount..... 1. \_\_\_\_\_
2. Original federal credit amount subject to recapture..... 2. \_\_\_\_\_
3. Recapture percentage (divide line 1 by line 2)..... 3. \_\_\_\_\_ %
4. Original South Carolina Housing Tax Credit subject to recapture..... 4. \_\_\_\_\_
5. South Carolina Housing Credit recapture amount (multiply line 4 by line 3)..... 5. \_\_\_\_\_  
 Individuals: enter on line 7 of your SC1040.  
 Corporations: enter on line 12 of your SC1120.  
 Fiduciaries: enter on line 9 of your SC1041.

**INSTRUCTIONS**

Use this form to recapture the South Carolina Housing Tax Credit when housing is not in compliance with federal requirements and a recapture of the federal credit is required.

Taxpayers who do not maintain housing in compliance with IRC Section 42 requirements for the entire compliance period may have to recapture a portion of the federal credit allowed in prior years. Taxpayers who are required to recapture a portion of their federal credit are also required to recapture a portion of their state credit. The state recapture amount is the portion of the state credit claimed that equals the proportion of the federal recapture amount to the original federal credit amount.

For a credit earned by a pass-through entity, 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 who receive credit recapture information from a pass-through entity should enter the name and FEIN of the entity, then enter their share of the credit recapture on line 5 of the TC-63R.

Include South Carolina credit recapture amounts as tax on your Income Tax Return. On the tax line, write **Recapture Tax - SCH TC-63R**.

If you file by paper, include this form with your return. If you file electronically, keep a copy with your tax records.

Use the TC-63 to claim the South Carolina Housing Tax Credit. Only use this TC 63-R to report a recapture of the South Carolina Housing Tax Credit.

For more information about the credit, refer to SC Revenue Ruling #21-5, available at [dor.sc.gov/policy](http://dor.sc.gov/policy).

**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.