



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214-0575

SC INFORMATION LETTER #25-20

SUBJECT: Angel Investor Credit – Repeal December 31, 2025
(Income tax)

DATE: November 3, 2025

AUTHORITY: S.C. Code Ann. § 12-4-320 (2014)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

Purpose:

The purpose of this information letter is to remind taxpayers the enabling legislation for the angel investor tax credit is set to be repealed on December 31, 2025.

Explanation:

The General Assembly enacted the High Growth Small Business Job Creation Act (the “Act”), chapter 44 of title 11 of the South Carolina Code, in 2013 to improve the availability of early-stage capital for emerging high-growth enterprises in South Carolina. 2013 S.C. Acts 80. The Act aimed to encourage individual angel investors to invest in early stage, high-growth, job-creating businesses by providing an income tax credit of 35% of the angel investor’s qualified investment up to \$100,000. Id. The Act allowed a taxpayer to use 50% of the credit against their net income tax liability in the tax year the investment was made, but the credit could be carried forward for up to 10 years. Id.

The provisions of the Act were initially set to expire on December 31, 2019. Id. However, in 2020, the General Assembly, extended the provisions contained in chapter 44 of title 11 to December 31, 2025. 2020 S.C. Acts 138. As of the date of publication of this information letter, the General Assembly has not extended the provisions of the Act and therefore,

chapter 44 of title 11 is set to expire on December 31, 2025. Carryforward credits may continue to be claimed during the 10-year period allowed under section 11-44-40(B). However, no new credits may be claimed after December 31, 2025, unless the General Assembly acts to extend the Act.

For 2025, taxpayers who make qualifying investments in 2025 must submit an application for approval to the Department by December 31, 2025 to claim the credit on their tax year 2025 return. The Department will notify the taxpayer by January 31, 2026 of tentative approval and allocation of the credit. The Department cannot approve any claims for credits for investments made after December 31, 2025 unless further action is taken by the General Assembly to extend the provisions of the Act.