

STATE OF SOUTH CAROLINA

DEPARTMENT OF REVENUE

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SC INFORMATION LETTER #21-13

SUBJECT: Abandoned Building Revitalization Credit – Repeal of Act Postponed and

General Guidance Published Addressing Common Credit Questions

DATE: May 19, 2021

MODIFIES: SC Revenue Ruling #15-7

SC Revenue Ruling #15-12 SC Information Letter #15-9

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)

S.C. Code Ann. Section 1-23-10(4) (2005)

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.

The purpose of this Information Letter is to inform taxpayers that the abandoned building revitalization credit has been extended and to remind taxpayers and tax professionals of the Department's published advisory opinions that provide guidance and examples of the credit requirements. The full text of these abandoned building credit advisory opinions listed below can be found on the Department's Law and Policy page at dor.sc.gov/policy.

EXTENSION OF CREDIT REPEAL DATE TO DECEMBER 31, 2025

The "South Carolina Abandoned Buildings Revitalization Act" (Title 12, Chapter 67), enacted in 2013, provides qualifying taxpayers a credit against income taxes or property taxes for rehabilitating an abandoned building in South Carolina. On April 26, 2021, Act No. 21 of 2021 postponed the repeal of the abandoned building credit to December 31, 2025. The credit repeal date of December 31, 2019 in Act No. 57 of 2013 was extended to December 31, 2021 in Act No. 265 of 2018.

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¹ A credit is allowed against the income tax imposed under Chapter 6, bank franchise tax under Chapter 11, savings and loan income tax under Chapter 13, corporate license fee under Chapter 20, or any combination of these taxes. While all of these taxes are not income taxes, for simplicity in this Information Letter, they are referred to as income taxes.

CREDIT GUIDANCE AND DEPARTMENT RESOURCES FOR CREDIT QUESTIONS

The credit statute contains a number of requirements including qualification of the abandoned building, qualification of the expenses incurred in the rehabilitation, and information required in the Notice of Intent to Rehabilitate.

To assist taxpayers and tax professionals in understanding the complex credit rules and requirements, the Department has published the following guidance:

• SC Revenue Ruling #15-7, "Abandoned Building Revitalization Credit."

This comprehensive advisory opinion provides guidance and examples regarding the basic credit principles, rules, and requirements. See Part 7 - Examples and Additional Guidance, that provide helpful scenarios and additional guidance on the general rules discussed in the advisory opinion regarding credit requirements and Notice of Intent to Rehabilitate considerations, including whether the demolition of a building and new construction by the same taxpayer or by different owners meets the credit eligibility requirements.

• SC Revenue Ruling #15-12, "Abandoned Building Revitalization Credit – Additional Rules for State-Owned Abandoned Buildings."

This advisory opinion provides guidance on the rules applicable to state-owned abandoned buildings and discusses how the basic credit principles in SC Revenue Ruling #15-7 continue to apply to state-owned abandoned buildings.

• SC Information Letter #15-9, "Abandoned Building, Textile Mill, and Retail Facility Tax Credits – Summary Chart."

This Information Letter is designed as a reference tool written in general terms and provides a general summary of the main requirements of the abandoned building income tax credit and property tax credit.

Note: Act No. 57 of 2013 was amended in 2015, 2018, and 2019. The above listed advisory opinions reflect the 2015 legislative amendments. For a summary of amendments made in 2018 and 2019 to the abandoned building credit, see SC Information Letters #18-15 and #19-23, respectively.