



SOUTH CAROLINA HOUSING TAX CREDIT

Name _____

SSN or FEIN _____

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 and Fiduciaries: 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).

The eligibility statement must:

- certify that the project qualifies for the credit,
- specify the amount of the credit allowed for the project,
- include the annual amount of South Carolina Housing Tax Credit allocated to the qualified project each year of the credit period, and
- include the total amount of South Carolina Housing Tax Credit allocated to the qualified project for the entire credit period.

Your South Carolina credit amount cannot exceed the federal housing credit allowed for the project.

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 can find more information about the credit application and approval process at **schousing.com**.

The total amount of all South Carolina Housing Tax Credits that can be allocated in any calendar year cannot exceed \$20 million, plus:

- the total of all unallocated tax credits for any preceding years, and
- the total amount of any previously allocated tax credits that have been recaptured, revoked, canceled, or recovered, but not allocated.

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. To calculate the recapture amount, use the TC-63R, available at **dor.sc.gov/forms**.

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.

For more information about this credit, refer to SC Revenue Ruling #21-5, available at 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.