

Process for Claiming Community Development (CD) Tax Credit

Article 25, [Section 12-6-3530](#) was amended and signed into law on May 18, 2021

1. CD Tax Credits are reserved on a first come, first serve basis based on when *Tax Credit Reservation Form* is received.
2. A certified Community Development Corporation (CDC) or Community Development Financial Institution (CDFI) must complete a *Tax Credit Reservation Form* and return it to SCACED, to check availability of tax credits.
 - For credits available in 2022, *Tax Credit Reservation Forms* will be accepted starting March 1, 2022 at 9:00 AM ET. Reservations forms must be submitted via email to cdtaxcredit@scaced.org.
 - If rural, small organization, submit current operating budget with *Tax Credit Reservation Form*.
3. The *Tax Credit Reservation Form* will be approved/denied by Dept. of Commerce based on investments made to-date and tax credits available.
4. Once approved, the appropriate tax credit amount will be set aside for 10 business days. This will allow the CDC/CDFI to acquire, and provide to SCACED, appropriate documentation of the investment along with a completed *Contribution Certificate DC-06075*. After 10 business days the application will be void and the tax credit value may be allocated elsewhere.
 - Contributions made on or after January 1 of the year tax credits are available, are eligible for the CD Tax Credit.
5. SCACED will review the *Contribution Certificate* and back-up documentation provided by the CDC/CDFI. Once they are satisfied that the documentation is adequate, SCACED will submit the package to Commerce for approval.
6. Once approved, Commerce will execute the *Contribution Certificate* and return a copy to SCACED¹, to be distributed to both the taxpayer and the CDC/CDFI. The certificate certifies that the credit available to that taxpayer will not exceed the annual tax credit limitation, the 25% maximum allowable tax credits authorized by a single CDC/CDFI, and that the CDC/CDFI was certified at the time of investment.
7. Commerce will also provide the Department of Revenue a copy of the fully executed *Contribution Certificate*.
8. To receive the credit, the taxpayer shall claim the credit on their annual state income or premium tax return, using [Form SC SCH.TC-14](#), and file with the Department of Revenue a fully executed copy of the *Contribution Certificate DC-06075*.

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¹ Once tax credits are awarded, SCACED will update their website, scaced.org, as soon as possible with the most current balance of credits for that year.