

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
**COMMUNITY DEVELOPMENT
TAX CREDIT**

Name

SSN or FEIN

- | | |
|---|-------------|
| 1. Eligible amount invested in a community development corporation or community development financial institution (attach all certifying DC-06075 forms from SC Commerce) | 1. \$ _____ |
| 2. Multiply line 1 by 33% for equity investments or 50% for cash donations | 2. \$ _____ |
| 3. Carryover of prior years' unused credit (attach schedule) | 3. \$ _____ |
| 4. Total credit available (add line 2 and line 3) | 4. \$ _____ |
| 5. Tax liability | 5. \$ _____ |
| 6. Enter the lesser of line 4 and line 5 here and on the SC1040TC or SC1120TC | 6. \$ _____ |
| 7. Unused credit (subtract line 6 from line 4)
Unused credits can be carried forward for up to three years | 7. \$ _____ |

INSTRUCTIONS

A taxpayer investing in a certified community development corporation or a community development financial institution is allowed a credit under SC Code Section 12-6-3530 against state Income Tax, Bank Tax, or Insurance Premium Tax.

Certificate requirement: You cannot claim the credit unless you receive certification from SC Commerce that:
1. you are investing in a community development corporation or a community development financial institution
2. the credit available to you will not be more than the annual limit

If you invest in a certified corporation or institution in good faith, you may claim the credit even if SC Commerce later revokes or does not renew the certification.

Credit limits: Beginning with the 2019 tax year, the total amount of community development tax credits available to all taxpayers is \$6 million for all tax years. For a single year, the total amount available to all taxpayers is \$1 million.

A single community development corporation or community development financial institution may not receive more than 25% of the total credits authorized in any year.

For the first three quarters of the year, 25% of credits will be held in reserve for small, rural-based community development corporations. No single community development corporation or community development financial institution will be authorized to receive more than 15% of the total annual credits during the first three quarters of the year. During the fourth quarter of the year, all remaining tax credits will be available to all certified community development corporations or community development financial institutions.

SC Commerce will authorize credits on a first-come, first-served basis. Once the annual credit limit is reached, SC Commerce will not authorize any additional credits.

Credit Disqualification:

- If the community development financial institution you invest in is a tax-exempt nonprofit corporation and you claim the investment as a deduction according to Internal Revenue Code Section 170, you do not qualify for the credit.
- If you invest in an entity in exchange for stock or other equity interest, and the entity redeems the stock or equity interest within five years, the portion of the credit based on the stock or equity interest is disallowed. You must pay back any disallowed credit that was taken in a previous year on your return for the tax year of the redemption

Banks and financial institutions: A bank or financial institution with a South Carolina tax liability may invest up to 10% of its total capital and surplus into a qualifying entity.

Carry-forward: If the amount of authorized credit is greater than your tax liability, you can carry forward the remaining credit to tax years beginning less than three years from the date you acquired the stock or other equity interest that is the basis for the credit. Reduce your carry-forward amount if you use it to obtain a new credit in a later tax year.

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.