

4/10/2019 Senate Introduced and read first time ([Senate Journal-page 18](#))
 4/10/2019 Senate Referred to Committee on **Finance** ([Senate Journal-page 18](#))
 4/10/2019 Scrivener's error corrected
 4/30/2019 Senate Recalled from Committee on **Finance**
 ([Senate Journal-page 3](#))
 5/9/2019 Senate Recommitted to Committee on **Finance**
 ([Senate Journal-page 47](#))
 1/21/2020 Senate Committee report: Favorable with amendment **Finance**
 ([Senate Journal-page 10](#))
 3/4/2020 Senate Committee Amendment Adopted ([Senate Journal-page 52](#))
 3/4/2020 Senate Read second time ([Senate Journal-page 52](#))
 3/10/2020 Senate Read third time and returned to House with amendments
 ([Senate Journal-page 18](#))
 3/10/2020 Senate Roll call Ayes-44 Nays-0 ([Senate Journal-page 18](#))
 5/12/2020 House Concurred in Senate amendment and enrolled
 5/12/2020 House Roll call Yeas-97 Nays-18
 5/12/2020 Ratified R 142
 5/14/2020 Signed By Governor
 5/19/2020 Effective date See Act for Effective Date
 5/19/2020 Act No. 137

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VERSIONS OF THIS BILL

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(Text matches printed bills. Document has been reformatted to meet World Wide Web specifications.)

(A137, R142, H3998)

AN ACT TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE "WORKFORCE AND SENIOR AFFORDABLE HOUSING ACT" BY ADDING SECTION [12-6-3795](#) SO AS TO ALLOW A TAXPAYER ELIGIBLE FOR THE FEDERAL HOUSING TAX CREDIT TO CLAIM A SOUTH CAROLINA HOUSING TAX CREDIT.

Be it enacted by the General Assembly of the State of South Carolina:

Citation

SECTION 1. This act may be cited as the "Workforce and Senior Affordable Housing Act".

South Carolina housing tax credit

SECTION 2. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

"Section [12-6-3795](#). (A) As used in this section:

- (1) 'Eligibility statement' means a statement authorized and issued by the South Carolina Housing and Finance Development Authority certifying that a given project qualifies for the South Carolina housing tax credit.
- (2) 'Federal housing tax credit' means the federal tax credit as provided in Section 42 of the Internal Revenue Code of 1986, as amended.

(3) 'Median income' means those incomes that are determined by the federal Department of Housing and Urban Development guidelines and adjusted for family size.

(4) 'Project' means a housing project that has restricted rents that do not exceed thirty percent of income for at least forty percent of its units occupied by persons or families having incomes of sixty percent or less of the median income, or at least twenty percent of the units occupied by persons or families having incomes of fifty percent or less of the median income.

(5) 'Qualified project' means a qualified low-income building as that term is defined in Section 42 of the Internal Revenue Code of 1986, as amended, that is located in South Carolina and receives approval for tax credits from the South Carolina Housing and Finance Development Authority provided pursuant to this section.

(6) 'Taxpayer' means a sole proprietor, partnership, corporation of any classification, limited liability company, or association taxable as a business entity that is subject to South Carolina taxes pursuant to Section [12-6-510](#), Section [12-6-530](#), Chapter 11, Title 12, or Chapter 7, Title 38.

(B)(1) A state tax credit pursuant to this section may be claimed against income taxes imposed by Section [12-6-510](#) or [12-6-530](#), bank taxes imposed pursuant to Chapter 11, Title 12, corporate license fees imposed pursuant to Chapter 20, Title 12, and insurance premium and retaliatory taxes imposed pursuant to Chapter 7, Title 38, to be termed the South Carolina housing tax credit, and is allowed with respect to each qualified project placed in service after January 1, 2020, and before December 31, 2030, in an amount equal to the federal housing tax credit allowed with respect to such qualified project. In computing a tax payable by a taxpayer pursuant to Section [38-7-90](#), the credit allowed pursuant to this section must be treated as a premium tax paid pursuant to Section [38-7-20](#).

(2)(a) If under Section 42 of the Internal Revenue Code of 1986, as amended, a portion of any federal housing tax credit taken on a project is required to be recaptured, the taxpayer claiming any state tax credit with respect to such project also is required to recapture a portion of any state tax credit authorized by this section. The state recapture amount is equal to the proportion of the state tax credit claimed by the taxpayer that equals the proportion the federal recapture amount bears to the original federal housing tax credit amount subject to recapture.

(b) In the event that recapture of any South Carolina housing tax credit is required, any amended return submitted to the department, as provided in this section, shall include the proportion of the state tax credit required to be recaptured, the identity of each taxpayer subject to the recapture, and the amount of tax credit previously allocated to such taxpayer.

(3) The total amount of the tax credit allowed by this section for a taxable year may not exceed the taxpayer's income tax liability. Any unused tax credit may be carried forward to apply to the taxpayer's next five succeeding years' tax liability. The taxpayer may not apply the credit against any prior tax years' tax liability.

(4) The tax credit allowed by this section, and any recaptured tax credit, must be allocated among some or all of the partners, members, or shareholders of the entity owning the project in any manner agreed to by such persons, regardless of whether such persons are allocated or allowed any portion of the federal housing tax credit with respect to the project.

(C)(1) The authority shall promulgate rules establishing criteria upon which the eligibility statements are issued which must include consideration of evidence of local support for the project. The eligibility statement must specify the amount of the South Carolina housing tax credit allowed.

(2) The authority may not issue an eligibility statement until the taxpayer provides a report to the authority detailing how the state credit authorized by this section will benefit the tenants of the project, once placed in service including, but not limited to, reduced rent, or why the state credit authorized by this section is necessary to undertake the project.

(D) The department, in consultation with the South Carolina State Housing Finance and Development Authority, may adopt rules and policies necessary to implement and administer the provisions of this section."

Severability

SECTION 3. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

Time effective

SECTION 4. This act takes effect upon approval by the Governor and first applies to qualified projects that receive an eligibility statement pursuant to Section [12-6-3795](#) thereafter.

Ratified the 12th day of May, 2020.

Approved the 14th day of May, 2020.

This web page was last updated on August 31, 2020 at 2:56 PM