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COMMITTEE REPORT

January 28, 2015

**S. 350**

Introduced by Senators Campbell, Malloy, Setzler, Scott, Alexander, Hembree, O’Dell, Hayes, Grooms, Cleary, Williams, Bennett, Johnson, Hutto, L. Martin, Fair, Turner, Allen, Matthews, Peeler, Lourie, Courson, Coleman, Jackson, McElveen, Shealy, Nicholson, Kimpson and Sabb

S. Printed 1/28/15--S. [SEC 1/29/15 12:08 PM]

Read the first time January 20, 2015.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 350) to amend Section 4 of Act 314 of 2000, as last amended by Act 248 of 2010 to terminate the provisions of the South Carolina Community Economic Development Act on June 30, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Fiscal Impact Summary**

This bill would have no effect on general fund income, bank, or insurance premium tax revenues in FY2015-16.

**Explanation of Fiscal Impact**

**State Revenue**

This bill would amend Section 4 of Act 314 of 2000, as last amended by Act 248 of 2010 to extend the provision of the South Carolina Community Economic Development Act through June 30, 2020. After this date, all laws and regulations dealing with community development corporations and community development financial institutions would be repealed. A community development corporation is a nonprofit corporation which is tax exempt and has a primary mission of developing and improving low-income communities and neighborhoods through economic and related development. A community development financial institution is an organization that has a primary mission of promoting community development by providing credit, capital, or development services to small businesses or home mortgage assistance to individuals. Pursuant to Act 314 of 2000 and Section 12-6-3530, a taxpayer is allowed a tax credit against South Carolina income tax, bank tax, or insurance premium tax equal to thirty-three (33) percent of the investment in a community development corporation or community development financial institution. The total credit that may be claimed by all taxpayers is $1,000,000 in one calendar year and $5,000,000 for all calendar years. Any unused credit may be carried forward and must be used before the taxable year that begins on or after ten (10) years from the date of the acquisition of stock or other equity interest that is the basis for the credit. The provisions of this credit terminate on June 30, 2015. This bill extends the termination date by five years to June 30, 2020, and is a continuation of programs and services that are currently in place.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 4 OF ACT 314 OF 2000, AS LAST AMENDED BY ACT 248 OF 2010 TO TERMINATE THE PROVISIONS OF THE SOUTH CAROLINA COMMUNITY ECONOMIC DEVELOPMENT ACT ON JUNE 30, 2020.

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

SECTION 1. Section 4 of Act 314 of 2000, as last amended by Act 248 of 2010 is further amended to read:

“SECTION 4. Unless reauthorized by the General Assembly, the provisions of this act shall terminate on June 30, ~~2015~~ 2020, and this act and all other laws and regulations governing, authorizing, and otherwise dealing with community development corporations and community development financial institutions are deemed repealed on that date.”

SECTION 2. This act takes effect upon approval by the Governor.

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