



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
(803)734-3780 • RFA.SC.GOV/IMPACTS

This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4118	Amended by House Ways and Means on March 30, 2023
Author:	Weeks	
Subject:	Community Development Tax Credits	
Requestor:	House Ways and Means	
RFA Analyst(s):	Jolliff	
Impact Date:	April 4, 2023	

Fiscal Impact Summary

This bill as amended revises the sunset date for the Community Development Tax Credit in Section 12-6-3530 from June 30, 2023, to June 30, 2029.

This bill is not expected to have an expenditure impact for the Department of Revenue or the Department of Commerce to administer the extension of the credit sunset because the tax credit is already in place, and the agencies can administer the change with existing staff and resources.

Under Act 83 of 2021, the aggregate limit on the Community Development Tax Credit was increased from a total of \$6,000,000 to \$9,000,000 for all taxpayers for all tax years. The increase in the aggregate limit from 2021 is already accounted for in the current General Fund forecast. As this bill does not impact the aggregate limit, it is not expected to impact General Fund revenues.

Explanation of Fiscal Impact

Amended by House Ways and Means on March 30, 2023

State Expenditure

This bill as amended revises the sunset date for the Community Development Tax Credit in Section 12-6-3530 from June 30, 2023, to June 30, 2029. Total tax credits are limited to an aggregate of \$9,000,000 for all tax years currently. The bill as amended does not change the aggregate limit. The Department of Commerce authorizes the amount of tax credits each year on a first-come, first-served basis. This bill is not expected to have an expenditure impact for the Department of Revenue or the Department of Commerce to administer the extension. The tax credit is already in place, and the agencies can administer the change with existing staff and resources.

State Revenue

This bill as amended revises the sunset date for the Community Development Tax Credit in Section 12-6-3530 from June 30, 2023, to June 30, 2029. Total tax credits are limited to an aggregate of \$9,000,000 for all tax years currently. The bill as amended does not change the aggregate limit.

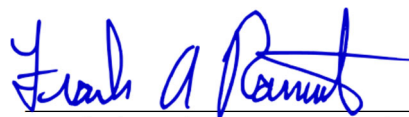
The tax credit was amended in Act 83 of 2021 to increase the aggregate limit. Under the Act, \$1,000,000 may be used for all taxpayers in tax year 2021, and \$2,000,000 is to be used for all taxpayers in tax years after 2021. According to the Department of Commerce, \$1,000,000 was reserved in 2021, and \$1,988,853 was reserved in 2022, leaving \$11,147 available for 2023. The increase in the aggregate limit from 2021 is accounted for in the current General Fund forecast. As this bill does not impact the aggregate limit, it is not expected to impact General Fund revenues.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director