



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*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.*

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**Bill Number:** S. 0853      Introduced on January 28, 2026  
**Subject:** Abandoned Buildings Tax Credit  
**Requestor:** Senate Finance  
**RFA Analyst(s):** Manic  
**Impact Date:** February 11, 2026

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### Fiscal Impact Summary

This bill amends the Abandoned Buildings Revitalization Act by removing the separate state-owned abandoned buildings category and clarifying that the income-producing use of the building prior to abandonment is not a requirement for the tax credit eligibility. Further, the bill requires that taxpayers file a Notice of Intent to Rehabilitate with the Department of Revenue (DOR) before obtaining a building permit and excludes rehabilitation expenses incurred before the approval of the notice from qualifying for the tax credit. The bill stipulates that tax credits obtained pursuant to the act are not allowed to be used as collateral for debt.

DOR indicates that the bill will have no expenditure impact on the agency, as the requirements of the bill can be implemented with existing staff and resources.

The bill is not expected to impact state revenues. In Revenue Ruling #26-1, DOR provided an updated advisory opinion on the Abandoned Buildings Act. The ruling specifies that the credit requires that the building to be rehabilitated must be income producing. This bill clarifies the statutory language to conform to previous interpretations of the Act and, therefore, is not expected to impact revenues.

### Explanation of Fiscal Impact

#### Introduced on January 28, 2026

##### State Expenditure

This bill amends the Abandoned Buildings Revitalization Act by clarifying that the income-producing use of the building prior to abandonment is not a requirement for the tax credit eligibility and eliminating the current state-owned abandoned building specifications. The bill requires that taxpayers file a Notice of Intent to Rehabilitate with DOR before obtaining a building permit and excludes rehabilitation expenses incurred before the approval of the notice from qualifying for the tax credit. DOR indicates that the bill will have no expenditure impact on the agency, as the requirements of the bill can be implemented with existing staff and resources.

##### State Revenue

This bill amends the Abandoned Buildings Revitalization Act by clarifying that the income-producing use of the building prior to abandonment is not a requirement for the tax credit eligibility and eliminating the current state-owned abandoned building specifications. The bill

requires that taxpayers file a Notice of Intent to Rehabilitate with DOR before obtaining a building permit and excludes rehabilitation expenses incurred before the approval of the notice from qualifying for the tax credit. Also, the bill stipulates that abandoned buildings tax credits may not be used as security for debt.

The act currently allows a taxpayer to claim a non-refundable state tax credit equal to 25 percent of actual rehabilitation expenses of an abandoned building that is to be put into operation for income producing purposes. In Revenue Ruling #26-1, DOR provided an updated advisory opinion on the Abandoned Buildings Act and answered additional questions related to the abandoned building tax credits. The ruling notes that the credit requires that the building to be rehabilitated must be income producing. Further, the Act currently provides separate qualifications for state-owned buildings.

This bill removes the requirement that the building must have been income-producing and eliminates the current state-owned buildings definition. Therefore, all buildings or other similar facilities that were not income producing previously but that otherwise meet the qualifications in the Act will now qualify for the credit. This bill clarifies the statutory language to conform to previous interpretations of the Act and, therefore, is not expected to impact revenues.

**Local Expenditure**

N/A

**Local Revenue**

N/A



Frank A. Rainwater, Executive Director