

2020 Tax Credit Program

Bulletin #11

June 5, 2020

Clarifications

The purpose of this bulletin is to provide clarity on matters regarding the SC State Tax Credit (H.3998) which was recently signed by Governor McMaster. Specifically, the law instructs SC Housing to consider “evidence of local support for the project.”

The 2020 QAP contains multiple areas where SC Housing determines local support in the 9% program. Therefore, in an effort to efficiently utilize the State Tax Credit and fulfill our mission, SC Housing clarifies that any application submitted for a 9% allocation under the 2020 QAP that meets the QAP’s criteria also complies with the “consideration of local support” requirement. Applicants for a 9% allocation under the 2020 QAP will not need to submit any additional documentation or information.

After reviewing the 9% applications, SC Housing will contact potential awardees to provide the necessary documentation to receive the State Tax Credit, including implementation of the statutory language below.

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.

In addition to demonstrating need and/or benefit, a likely outcome will be properties do not realize more equity, but the equity will be invested from more than one source.

SC Housing will also issue guidance on how awards from prior cycles under the 2018 or 2019 QAPs, including those with tax-exempt bonds under the 2018, 2019, or 2020 QAPs, would meet the statutory requirements.

Interested parties are welcome to provide input on SC Housing’s upcoming policies concerning the SC State Tax Credit and its application to prior awards that have not yet placed in service. Please provide such comments to taxcreditquestions@schousing.com by 5pm June 26, 2020.