

HOWELL LINKOUS & NETTLES, LLC

Concentrating in Municipal Bonds,
Economic Development Incentives,
Local Government Law, and
Affordable Housing Development

Bond Attorneys & Counsellors at Law

May 12, 2020

SOUTH CAROLINA LEGISLATURE APPROVES SOUTH CAROLINA LOW INCOME HOUSING TAX CREDIT

The South Carolina Legislature has approved the “Workforce and Senior Affordable Housing Act,” to advance affordable housing in the state. The legislation becomes law effective upon receiving the signature of Governor McMaster.

The South Carolina Low Income Housing Tax Credit will be calculated using federal low-income housing tax credit rules and requirements. Rent and tenant eligibility also parallel the federal requirements, as do the recapture rules. The South Carolina Low Income Housing Tax Credit will be administered primarily by the South Carolina State Housing Finance and Development Authority, and will be allocated to both 9%, competitive credit projects and tax-exempt bond-financed projects.

The South Carolina Low Income Housing Tax Credit may be claimed against corporate and individual income taxes, bank taxes, corporate license fees, and insurance premium and insurance retaliatory taxes. Excess State tax credits may be carried forward five years. The South Carolina Low Income Housing Tax Credit may be bifurcated.

Howell Linkous & Nettles has extensive experience in affordable housing development and finance, including Tax Credit Counsel, Bond Counsel and Borrower’s Counsel roles in hundreds of affordable housing transactions and thousands of affordable housing units. We could not be more appreciative that our clients have this new tool to assist in structuring their transactions.

The text of the legislation can be found here:

https://www.scstatehouse.gov/query.php?search=DOC&searchtext=tax%20credit&category=LEGISLATION&session=123&conid=15577868&result_pos=0&keyval=1233998&numrows=10

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