**South Carolina General Assembly**

125th Session, 2023-2024

**H. 4118**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Weeks, Gagnon, Alexander, Dillard, W. Jones, Gatch, Henegan and Williams

Companion/Similar bill(s): 521

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Introduced in the House on March 9, 2023

Introduced in the Senate on April 6, 2023

Last Amended on April 5, 2023

Currently residing in the Senate Committee on **Finance**

Summary: Community development tax credits

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 3/9/2023 House Introduced and read first time (House Journal‑page 15)

 3/9/2023 House Referred to Committee on **Ways and Means** (House Journal‑page 15)

 3/29/2023 House Member(s) request name added as sponsor: Gagnon

 3/30/2023 House Member(s) request name added as sponsor:
 Alexander, Dillard, W. Jones, Gatch

 3/30/2023 House Committee report: Favorable with amendment **Ways and Means** (House Journal‑page 13)

 4/4/2023 House Member(s) request name added as sponsor: Henegan,
 Williams

 4/5/2023 House Amended (House Journal‑page 154)

 4/5/2023 House Read second time (House Journal‑page 154)

 4/5/2023 House Roll call Yeas-98 Nays-12 (House Journal‑page 154)

 4/6/2023 House Read third time and sent to Senate (House Journal‑page 29)

 4/6/2023 Senate Introduced and read first time (Senate Journal‑page 45)

 4/6/2023 Senate Referred to Committee on **Finance** (Senate Journal‑page 45)

View the latest  [legislative information](https://www.scstatehouse.gov/billsearch.php?billnumbers=4118&session=125&summary=B)  at the website

**VERSIONS OF THIS BILL**

[03/09/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/4118_20230309.docx)

[03/30/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/4118_20230330.docx)

[04/05/2023](https://www.scstatehouse.gov/sess125_2023-2024/prever/4118_20230405.docx)

Indicates Matter Stricken

Indicates New Matter

Amended

April 5, 2023

H. 4118

Introduced by Reps. Weeks, Gagnon, Alexander, Dillard, W. Jones, Gatch, Henegan and Williams

S. Printed 04/05/23--H.

Read the first time March 09, 2023

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statement of estimated fiscal impact

Explanation of Fiscal Impact

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.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY AMENDING SECTION 12‑6‑3530, RELATING TO COMMUNITY DEVELOPMENT TAX CREDITS, SO AS TO EXTEND THE CREDIT AND TO PROVIDE FOR AN INCREASE IN THE CREDIT AMOUNT; AND TO EXTEND THE PROVISIONS OF ACT 314 OF 2000.

 Amend Title To Conform

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

SECTION 1. Section 4 of Act 314 of 2000 is amended to read:

 SECTION 4. Unless reauthorized by the General Assembly, the provisions of this act shall terminate on June 30, ~~2023~~ 2029, 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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