



South Carolina provides a tax credit against South Carolina income tax, bank tax, or insurance premium tax for a taxpayer investing in CDFIs like CommunityWorks. The amount of the credit is 33% of any equity investment in CommunityWorks and 50% of any cash donation.

An equity investment would have a term of 7 years at 2% – credits can be used for 3 years. Reservations are first come first serve and must be made by Friday, August 13th, 2021.

1



### CD Tax Credit

\$1 million in CD Tax credits are available for 2021.

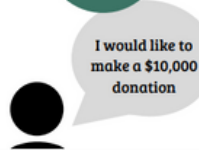
2



**Find Donor/Investor**  
CDC/CDFI finds Donor/Investor\*

\*individual or corporation with state tax liability

3



### Donor/Investor Makes Pledge

The donor pledges an amount of money to the organization

4



### CDC/CDFI Requests Credit

CDCs/CDFIs may reserve tax credits on a first come first serve basis

5

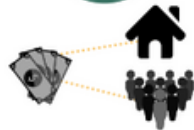
\$10,000



### Make Donation

The donor/investor makes donation

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### Use Donation

The CDC/CDFI uses the donation for operations or programs in the community

#### Cash Donations

e.g. \$10,000 Cash Donation = \$5,000 tax credit

#### Donor Receives Tax Credit

The donor now has a state tax credit worth 50% of their cash donation to use against their state tax liability

#### Equity Investments

e.g. \$10,000 Investment = \$3,300 tax credit

#### Investor Receives Tax Credit

The investor now has a state tax credit worth 33% of their equity investment to use against their state tax liability

#### 2019

#### CD Tax Credit Impact

