



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
CREDIT FOR A CERTIFIED HISTORIC RESIDENTIAL STRUCTURE
Attach to your Income Tax Return

Name As Shown On Tax Return

SS No. or Fed. EI No.

- 1. Enter the amount of rehabilitation expenses made to a property located in SC, placed in service during this tax year.
2. Enter 25% of the amount on line 1. This is the credit amount earned in the current year.
3. Enter 20% of line 2 if the property was placed in service during this tax year; OR enter the installment amount from line 3 of a previous year's TC-22 if the property was placed in service before this year. This is your annual installment amount.
4. Enter the amount carried forward from previous tax years.
5. Add lines 3 and 4.
6. Enter your current year tax liability.
7. Enter the lesser of lines 5 and 6. This is your current year credit. Enter this amount on SC1040TC.
8. Subtract line 7 from line 5. This is your credit carryover to future years.

INSTRUCTIONS

The certified historic residential structure credit is available for "rehabilitation expenses" to a "certified historic residential structure," as those terms are defined below. The credit is available if the expenses are incurred in taxable years beginning after 2002 and if the property is placed in service after June 30, 2003.

The credit is 25% of rehabilitation expenses, which must exceed \$15,000 within a 36-month period. The credit has to be taken in equal installments over a 5-year period. Any unused amount from an installment can be carried forward for five years.

A taxpayer may not claim more than one credit on the same certified historic residential structure within 10 years.

A "certified historic residential structure" is an owner-occupied residence that is: (a) listed individually in the National Register of Historic Places; (b) considered by the State Historic Preservation Officer to contribute to the historic significance of a National Register Historic District; (c) considered by the State Historic Preservation Officer to meet the criteria for individual listing in the National Register of Historic Places; or (d) an outbuilding of an otherwise eligible property considered by the State Historic Preservation Officer to contribute to the historic significance of the property.

An "owner-occupied residence" is a building or portion of a building in which the taxpayer has an ownership interest, in whole or in part, in fee or by life estate or as the income beneficiary of a property trust, that is, after being placed in service, the residence of the taxpayer and is not: (a) actively used in a trade or business; (b) held for the production of income; or (c) held for sales or disposition in the ordinary course of the taxpayer's trade or business.

A property is "placed in service" when the rehabilitation is completed and allows for the intended use.

"Rehabilitation expenses" are expenses incurred by the taxpayer in the certified rehabilitation of a certified historic residential structure, and must be paid before the credit is claimed.

They include expenses for: (a) preservation and rehabilitation work done to the exterior of a certified historic residential structure; (b) repair and stabilization of historic structural systems; (c) restoration of historic plaster; (d) energy efficiency measures except insulation in frame walls; (e) repairs or rehabilitation of heating, air-conditioning, or ventilating systems; (f) repairs or rehabilitation of electrical or plumbing systems exclusive of new electrical appliances and electrical or plumbing fixtures; and (g) architectural and engineering fees.

They do not include: (a) the cost of acquiring or marketing the property; (b) the cost of new construction beyond the volume of the existing certified historic residential structure; (c) the value of an owner's personal labor; or (d) the cost of personal property.

The **State Historic Preservation Officer** can be contacted at the South Carolina Department of Archives and History.

Before any work begins, the taxpayer must allow the State Historic Preservation Officer to review all repairs, alterations, rehabilitation, and new construction on the certified historic residential structure and the property on which it is located. Repairs or alterations must be consistent with the Secretary of the Interior's Standards for Rehabilitation.

After the work is completed, the taxpayer must obtain certification from the State Historic Preservation Officer verifying that the completed project was rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation.

For a period of up to five years, additional work done by the taxpayer must be consistent with the Standards for Rehabilitation. The State Historic Preservation Officer may review additional work and has the right to inspect. Additional work that the State Historic Preservation Officer deems inconsistent with the Standards for Rehabilitation will result in forfeiture of any unused credit amount, including any amounts carried forward.

The taxpayer may appeal to the State Review Board to review any determination by the State Historic Preservation Officer.

More information on tax credits is available at our website (www.sctax.org). More information on this credit is available at the website of the S.C. Department of Archives and History (www.scdah.state.sc.us).

You must complete a **separate TC-22 for each rehabilitated property**.

Complete TC-21 if claiming a credit for qualified rehabilitation expenditures for a certified historic structure that also qualifies for a federal credit under IRC Section 47.

LINE 1: Enter the amount of qualified expenses made to a certified historic residential structure located in South Carolina, placed in service during this tax year.

LINE 2: The credit amount is 25% of the rehabilitation expenses.

LINE 3: The credit is claimed in equal installments over a 5-year period beginning with the tax year that the property is placed in service. Enter 20% of line 2 on line 3. If the property was placed in service in a prior year, enter the amount from line 3 of last year's TC-22.

LINE 4: Annual installments that exceed a taxpayer's tax liability can be carried forward for five consecutive years.

LINE 5: The total available credit is the amount of this year's annual installment plus any amount carried forward from prior years.

LINE 6: The allowable credit cannot exceed this year's tax liability.

LINE 7: The allowable credit is the lesser of the available credit and this year's tax liability.

LINE 8: The amount of available credit you are unable to use this tax year is the amount you are allowed to carry forward for five consecutive years.

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form if you are an individual taking this credit. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.