

January 11, 2016

The Honorable Nikki Haley  
Office of the Governor  
1205 Pendleton Street  
Columbia, SC 29201



Dear Governor Haley:

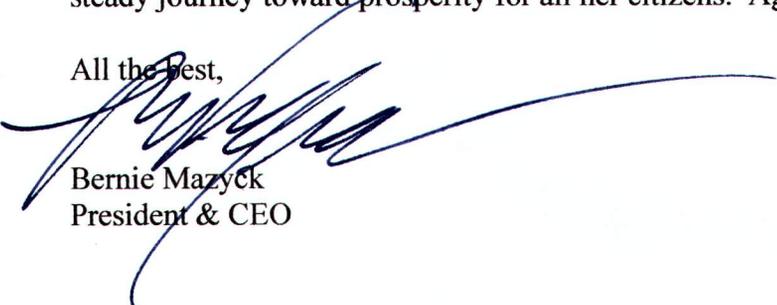
I trust 2016 is off to a great start for you. I am writing to inform you that as of December 31, 2015, nine certified community economic development organizations in South Carolina were able to use \$1 million of the state's Community Development Tax Credit, attracting more than \$3 million in private capital in poor and rural communities throughout South Carolina. The Community Development Tax Credit was one of the resources provided in the SC Community Economic Development Act, which you convinced your colleagues to extend through 2020 during the 2015 legislative session. On behalf of the certified community economic development organizations in South Carolina, I want to thank you for your leadership.

The South Carolina Community Economic Development Act of 2000 created the SC Community Development Tax Credit, providing \$5 million in a 33% state tax credit to SC tax payers whom invest in certified community economic development corporations (CDCs) and community development financial institutions (CDFIs). These organizations work in poor communities of South Carolina to help families build wealth and escape poverty by creating more than 5,500 jobs, more than 100 small businesses and having an economic impact of over \$250 million in South Carolina. The law places an annual cap of \$1 million in tax credits annually.

For 12 years, the SC Community Development Tax Credit went virtually unknown by investors, donors and tax professionals in South Carolina until 2013 when the SC Association for Community Economic Development (SCACED) took on the role of administrator and marketer of the SC Community Development Tax Credit. The attention to and interest in the CD Tax Credit has since grown exponentially resulting in 2015 as the first year where the use of these tax credits reached the annual cap of \$1 million. Since the Act was originally passed in 2000 \$2,816,065 of credits have been used resulting in \$8,533,530 being invested in underserved areas throughout the state.

As the certified community economic development organizations use this private capital to create jobs, start small businesses and improve the quality of life of South Carolinians, I look forward to sharing with you the stories of their success. We also look forward to working with you during the 2016 legislative session to enact policies that will continue South Carolina's steady journey toward prosperity for all her citizens. Again, thank you for your leadership.

All the best,



Bernie Mazyck  
President & CEO



# South Carolina Community Development Tax Credit



**In 2015, the South Carolina Community Development Tax Credit attracted over \$3 million in private capital to poor communities in both urban and rural areas across South Carolina.**

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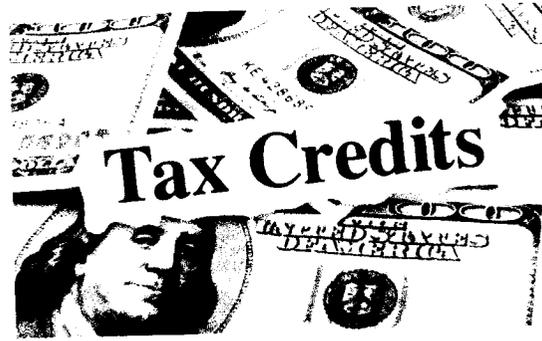
## Breakdown of CD Tax Credit Usage: 2014 and 2015

Year	Total Investments Attracted	Total Credits Claimed	Credit Balance at Year End	Certified CDCs & CDFIs Using CD Tax Credit
2014	\$2,134,304.44	\$704,320.47	\$295,679.53	9
2015	\$3,031,303.00	\$1,000,000.00	(\$329.00)*	9

\*Reflects a deficit in credits from the last recorded qualified investment in 2015, and several certified CDCs and CDFIs notified SCACED that a few potential investments did not come to fruition because no credits were available at that time.



# South Carolina Community Development Tax Credit



Years	Total Investment Attracted	Total Credits Awarded
2000 – 2013	\$3,367,924	\$1,111,415

All Remaining Years (2016-2020)	Total Investment Available	Total Credits Available
	\$6,618,985	\$2,184,265

