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SC INFORMATION LETTER #89-10

TO: Vicki Jinnette
Public Information Officer

FROM: Jerry B. Knight, Manager
Tax Policy and Procedures Department

DATE: June 6, 1989

SUBJECT: Sales of Electricity and Communications to the Federal Government
(Sales Tax)

REFERENCE: S.C. Code Ann. Section 12-35-550(42)
(As Amended July 1, 1989)

AUTHORITY: S.C. Code Ann. Section 12-3-140 (1976)
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

Code Section 12-35-550(42) has been amended to exempt from the sales tax sales of electricity and communications to the federal government made on or after July 1, 1989.

Businesses making sales of electricity and communications to the federal government must ensure, to the satisfaction of the Commission, that sales made through June 30, 1989, are properly reported and the sales tax paid, thereon.

Sales of electricity and communications made to the federal government, on or after July 1, 1989, should still be reported on line #1 of the return and taken as a deduction on line #5. Also, the deduction taken on line #5 should be explained on the back of the return.