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SC INFORMATION LETTER #89-32

TO: Vicki Jinnette
Public Information Director

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

DATE: October 2, 1989

SUBJECT: Sales of Motor Vehicles, Trailers, Semi-trailers and Pole Trailers to Residents of North Carolina (Sales Tax)

REFERENCE: S.C. Code Ann. Section 12-35-555 (Supp. 1988)
SC Information Letter #88-17
SC Information Letter #88-21

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.

Effective October 1, 1989, sales of motor vehicles, trailers, semi-trailers and pole trailers, in South Carolina, to residents of the State of North Carolina will no longer be subject to the South Carolina sales tax.

The purchaser still must complete a notarized statement of his or her intent to license the vehicle in North Carolina within ten days of the date of purchase.

The reason for this change, which amends SC Information Letters #88-17 and #88-21, is that the State of North Carolina now exempts the sales of motor vehicles from the N.C. sales tax. North Carolina imposes a "highway use tax" on such vehicles, at the time of registration, for the privilege of using state highways and roads. Under Code Section 12-35-555, South Carolina imposes a sales tax on sales of motor vehicles and trailers to nonresidents based on the sales tax imposed in the purchaser's state of residence. Since North Carolina will not impose a sales tax on motor vehicles and trailers, effective October 1, 1989, the South Carolina sales tax is not due on sales of motor vehicles and trailers to residents of North Carolina.