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SC INFORMATION LETTER #89-13

TO: Vicki Jinnette  
Public Information Officer

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

DATE: June 13, 1989

SUBJECT: Credit for Use Tax Paid  
(Use Tax)

REFERENCE: S.C. Code Ann. Section 12-35-815 (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.

Effective July 1, 1989, Code Section 12-35-815 is amended to read:

When a taxpayer is liable for the use tax imposed by this article on tangible personal property purchased in another state upon which a sales or use tax was due and paid in the other state, the amount of the sales or use tax due and paid in the other state is allowed as a credit against the use tax due this State, upon proof of payment of the sales or use tax, if the state in which the property was purchased allows substantially similar tax credits on tangible personal property purchased in this State. If the amount of the sales or use tax paid in the other state is less than the amount of use tax imposed by this article, the user shall pay the difference to the Commission.

Prior to the amendment, credit was only allowed for sales tax paid in another state against this state's use tax. As of July 1, 1989, credit is allowed for sales and use tax due and paid in another state.