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SC INFORMATION LETTER #89-33

TO: Vicki Jinnette
Public Information Director

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

DATE: October 11, 1989

SUBJECT: Sales of Fireworks
(Retail License)

REFERENCE: S.C. Code Ann. Section 12-35-320 (Supp. 1988)
S.C. Code Ann. Section 23-35-70 (Supp. 1988)

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.

This Information Letter is being issued to inform those persons wishing to sell fireworks, at retail, of certain licensing requirements.

Code Section 12-35-320 (Sales and Use Tax) reads, in part:

Every person who engages in any business as a retailer, as a condition precedent to engaging in the business, shall obtain a retail license for each branch, establishment or agency conducted by him and...pay a license tax in the amount of fifty dollars for each branch, establishment or agency of the retailer situated or located in this State.

Code Section 23-35-70 (3) (Fireworks and Explosives) reads, in part:

Each retailer is required to procure an annual license or permit at a cost of fifty dollars which shall authorize the licensee to sell permissible fireworks. No person or firm may be issued a retail [fireworks] license who is not already licensed by the State Tax Commission for sales tax purposes and who has not held the sales tax license for at least sixty days.

Code Section 23-35-80 (Fireworks and Explosives) reads, in part:

No wholesaler is allowed to sell fireworks to any non licensed... retailer....Retailers may purchase fireworks only from a manufacturer, jobber or wholesaler licensed to do business in this State.

In summary, all persons desiring to sell fireworks at retail, in this State, must obtain a retail sales tax license and a retail fireworks permit. Furthermore, such persons must be licensed with the Tax Commission for a period of sixty days before they can obtain a retail fireworks permit. No wholesaler can sell fireworks to any retailer who does not have a retail fireworks permit.