



SC INFORMATION LETTER #93-30 (TAX)

SUBJECT: Sale of Motor Vehicles, Trailers, Semitrailers and Pole Trailers to Nonresidents (Sales Tax)

DATE: December 14, 1993

MODIFIES: SC Information Letter #93-25

REFERENCE: S.C. Code Ann. Section 12-36-930 (Supp. 1992)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1992)
SC Revenue Procedure #93-6

SCOPE: An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

Information Letters issued to disseminate general information have no precedential value and do not represent the official position of the Department. Information Letters designated as administrative pronouncements do represent the official position of the Department.

For South Carolina sales tax purposes, sales to nonresidents of motor vehicles, trailers, semitrailers and pole trailers that are to be registered and licensed in the purchaser's state of residence, are taxed at the lesser of the (1) sales tax which would be imposed on the sale in the purchaser's state of residence or (2) tax that would be imposed under Chapter 36 of the South Carolina Code of Laws. No sales tax is due in South Carolina, however, if a nonresident purchaser cannot receive a credit in his resident state for sales tax paid to South Carolina.

In October 1993, SC Information Letter #93-25 provided updated charts containing revised sales tax rates by state, worksheets to assist in calculating the tax due and allowable sales tax deductions, and general information designed to assist dealers in calculating the tax due on sales to nonresidents.

Since Information Letter #93-25 was issued, Vermont's purchase and use tax rate increased from 4% to 5%. This change is reflected in the attached charts. The worksheets and general information contained in SC Information Letter #93-25 have not been reproduced in this information letter, but both remain current and may be useful in determining tax due on sales to nonresidents.

SALES OF TRAILERS, SEMITRAILERS AND POLE TRAILERS TO
NONRESIDENTS(Code Section 12-36-930)

Sales of trailers, semitrailers and pole trailers, of a type to be registered and licensed, to residents of the following states are not subject to the South Carolina sales tax:

Alaska	Iowa	New Hampshire	South Dakota
Arkansas	Kentucky	New Mexico	Vermont
Delaware	Maryland	North Carolina	Virginia
District of Columbia	Montana	Oklahoma	West Virginia
Indiana	Neveda	Oregon	

Sales of trailers, semitrailers and pole trailers, of a type to be registered and licensed, to residents of the following states are subject to the South Carolina sales tax. The maximum tax on the sale of trailers or semitrailers pulled by a truck tractor is the lesser of 5% x (S-T) or \$300.00. The maximum tax on the sale of pole trailers and trailers or semitrailers pulled by a vehicle other than a truck tractor is 6% x (S-T) for sales in a local option tax county and 5% x (S-T) for sales in a non local option tax county. The sales tax rates by state are listed below:

<u>State</u>	<u>State</u>	<u>Measure</u>	<u>State</u>	<u>State</u>	<u>Measure</u>
	<u>Rate(%)</u>	<u>of Tax *</u>		<u>Rate(%)</u>	<u>of Tax *</u>
Alabama	2.0	S-T (1)	Mississippi	7.0/3.0	S-T
Arizona	5.0	S-T	Missouri	4.225	S-T
California	7.25	S	Nebraska	5.0	S-T
Colorado	3.0	S-T	New Jersey	6.0	S-T
Connecticut	6.0	S-T	New York	4.0	S-T
Florida	6.0	S-T	North Dakota	5.0	S-T
Georgia	4.0	S-T	Ohio	5.0	S-T
Hawaii	4.0	S-T	Pennsylvania	6.0	S-T
Idaho	5.0	S-T	Rhode Island	7.0	S
Illinois	6.25	S-T	Tennessee	6.0	S-T
Kansas	4.9	S-T	Texas	6.25	S-T
Louisiana	4.0	S-T	Utah	5.0	S-T
Maine	6.0	S	Washington	6.5	S-T
Massachusetts	5.0	S-T	Wisconsin	5.0	S-T
Michigan	4.0	S	Wyoming	4.0	S-T
Minnesota	6.5	S-T			

* S = Sales Price T = Trade-in Allowance

(1) Sales of semitrailers are taxed at the rate of 3%. All other trailers are taxed at 7%.

(Revised 12/93)

SALES OF MOTOR VEHICLES TO NONRESIDENTS
(Code Section 12-36-930)

Sales of motor vehicles, as defined in Code Section 56-1-10, to residents of the following states are not subject to the South Carolina sales tax:

Alaska	Iowa	Nevada	Oregon		
Arkansas	Kentucky	New Hampshire	South Dakota		
Delaware	Maryland	New Mexico	Virginia		
District of Columbia		Mississippi	North Carolina	West Virginia	
Indiana	Montana	Oklahoma			

Sales of motor vehicles, as defined in Code Section 56-1-10, to residents of the following states are subject to the South Carolina sales tax. The maximum tax on the sale of motor vehicles is the lesser of 5% x (S-T) or \$300.00. The sales tax rates by state are listed below:

<u>State</u>	<u>State</u> <u>Rate(%)</u>	<u>Measure</u> <u>of Tax</u> *	<u>State</u>	<u>State</u> <u>Rate(%)</u>	<u>Measure</u> <u>of Tax</u> *
Alabama	2.0	S-T	Missouri	4.225	S-T
Arizona	5.0	S-T	Nebraska	5.0	S-T
California	7.25	S	New Jersey	6.0	S-T
Colorado	3.0	S-T	New York	4.0	S-T
Connecticut	6.0	S-T	North Dakota	5.0	S-T
Florida	6.0	S-T	Ohio	5.0	S-T
Georgia	4.0	S-T	Pennsylvania	6.0	S-T
Hawaii	4.0	S-T	Rhode Island	7.0	S-T
Idaho	5.0	S-T	Tennessee	6.0	S-T
Illinois	6.25	S-T	Texas	6.25	S-T
Kansas	4.9	S-T	Utah	5.0	S-T
Louisiana	4.0	S-T (1)	Vermont	5.0	S-T
Maine	6.0	S-T	Washington	6.5	S-T
Massachusetts	5.0	S-T	Wisconsin	5.0	S-T
Michigan	4.0	S	Wyoming	4.0	S-T
Minnesota	6.5	S-T			

* S = Sales Price T = Trade-in Allowance

(1) Effective September 1, 1993, Vermont's motor vehicle purchase and use tax rate increased from 4% to 5%. Sales tax should be collected on sales in South Carolina of passenger cars, passenger vans and motor homes to residents of Vermont. Since Vermont does not allow a credit for taxes paid in South Carolina for vehicles other than pleasure cars, sales tax should not be collected on vehicles such as school buses, mo-peds, motorcycles, motor trucks, tractors or any other motor vehicle primarily designed to transport property.

(Revised 12/93)