

SC REVENUE ADVISORY BULLETIN #00-04

- SUBJECT:** Sales Tax Holiday  
(Sales and Use Tax)
- EFFECTIVE DATE:** Beginning 12:01 a.m. on the first Friday in August (In 2000 - August 4th) and ending at twelve midnight the following Sunday (In 2000 - August 6th) of each year.
- SUPERSEDES:** All previous advisory opinions and any oral directives in conflict herewith.
- REFERENCES:** S. C. Code Ann. Section 12-36-2120 (Enacted 2000)
- AUTHORITY:** S. C. Code Ann. Section 12-4-320 (2000)  
S. C. Code Ann. Section 1-23-10(4) (2000)  
SC Revenue Procedure #99-4
- SCOPE:** The purpose of a Revenue Advisory Bulletin is to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of tax law to a specific set of facts or a general category of taxpayers. A Revenue Advisory Bulletin does not have the force or effect of law, and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.

**LAW**

Section 12-36-2120 of the 1976 Code is amended to exempt:

- (a) sales taking place during a period beginning 12:01 a.m. on the first Friday in August and ending at twelve midnight the following Sunday of:
  - (i) clothing;
  - (ii) clothing accessories including, but not limited to, hats, scarves, hosiery, and handbags;
  - (iii) footwear;
  - (iv) school supplies including, but not limited to, pens, pencils, paper, binders, notebooks, books, bookbags, lunchboxes, and calculators;
  - (v) computers, printers and printer supplies, and computer software.

- (b) The exemption allowed by this item does not apply to:
- (i) sales of jewelry, cosmetics, eyewear, wallets, watches;
  - (ii) sales of furniture;
  - (iii) a sale of an item placed on layaway or similar deferred payment and delivery plan however described;
  - (iv) rental of clothing or footwear;
  - (v) a sale or lease of an item for use in a trade or business.
- (c) Before July tenth of each year, the department shall publish and make available to the public and retailers a list of those articles qualifying for the exemption allowed by this item.

### **EXAMPLES OF EXEMPT AND NON-EXEMPT ITEMS**

Pursuant to Code Section 12-36-2120, as cited above, the department publishes the following list as examples of items it believes to be exempt and non-exempt:

**Exempt items (Provided the item (1) is not used in a trade or business or (2) is not placed on layaway or similar deferred payment and delivery plan or (3) is not clothing or footwear that is rented) include:**

Adult diapers  
Aerobic clothing  
Antique clothing  
Aprons  
Athletic or sport uniforms or clothing (but not equipment such as mitts, helmets and pads)  
Baby bibs  
Baby clothes  
Baby diapers (cloth or disposable)  
Baby shoes  
Bandannas  
Barrettes  
Bathing caps  
Bathing suits  
Bathing trunks  
Beach capes and coats  
Belt buckles  
Belts/suspenders  
Blouses  
Bobby pins  
Bonnetts  
Boots (climbing, hiking, riding, ski, waders, fishing, cowboy)  
Bow ties  
Bras  
Bridal gowns and veils (must be sold; rentals are taxable)  
Capri pants

Caps  
Coats, capes and wraps  
Computers (computer parts, such as computer monitors, keyboards and scanners, when not sold in conjunction with a central processing unit (CPU) and accessories are taxable)<sup>1</sup>  
Computer hardware service contracts sold in conjunction with computers  
Computer software service contracts sold in conjunction with computer software  
Computer software service contracts when the "true object" of the contract is to obtain computer software updates during the contract period  
Computer software  
Corsets  
Corset laces  
Costumes (must be sold; rentals are taxable)  
Coveralls  
Daily planners or organizers when used by school children as a school supply  
Dress shields  
Dresses  
Ear muffs  
Elastic ponytail holders  
Fishing boots  
Formal clothing (must be sold; rentals are taxable)  
Furs  
Galoshes  
Garters/garter belts  
Girdles  
Gloves (batting, bicycle, dress, garden, golf, ski, tennis)  
Gowns  
Graduation caps and gowns (must be sold; rentals are taxable)  
Gym suits  
Hair bows  
Hair clips  
Handbags  
Hand muffs  
Handkerchiefs  
Hats  
Headbands  
Hosiery  
Hunting vests  
Ice skates (rentals are taxable)  
In-line skates (rentals are taxable)  
Jackets  
Jeans  
Jogging suits

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<sup>1</sup>Since sales tax is a "transaction tax," and since the law did not exempt computer parts (only computers), then the sale of a computer monitor, keyboard, or scanner by itself would not be exempt during the sales tax holiday. If a monitor, keyboard or scanner is purchased as part of a package which included the computer processing unit (CPU), then that is one transaction to purchase a computer and the sale of the packaged unit (CPU, monitor, keyboard, scanner) would be exempt.

Jumpers  
Leg warmers  
Leotards and tights  
Lingerie  
Mittens  
Overshoes  
Pantyhose  
Nightgowns  
Pajamas  
Pants  
Pant suits  
Personal Digital Assistants (hand-held computers used as daily planners)  
Ponchos  
Printers (replacement parts are taxable)  
Printer supplies  
Prom dress (must be sold; rentals are taxable)  
Purses  
Rain coats  
Rain wear  
Riding pants  
Robes  
Roller skates (provided the skates are permanently attached to the boots) (rentals are taxable)  
Sandals  
Scarves  
School supplies including, but not limited to, pens, pencils, paper, binders, notebooks, books, "blue books," bookbags, lunchboxes, and calculators (school office and janitorial supplies are taxable)  
School uniforms  
Scout uniforms  
Shawls and wraps  
Shirts  
Shoes (ballet, baseball, bicycle, boat, boots, bowling (taxed if rented), cleated, cross trainers, flip-flops, football, golf, jazz/dance, soccer, track, in-line skates, ice skates, running, etc.) (rentals are taxable)  
Shorts  
Shoulder pads for dresses, jackets, etc. (but not athletic or sport protective pads)  
Ski boots (snow) (rentals are taxable)  
Ski masks  
Skirts  
Ski suits (snow)  
Skin diving suits  
Sleepwear  
Slippers  
Slips  
Sneakers  
Socks  
Sport clothing and uniforms (but not equipment such as mitts, helmets, and pads)

Sport jacket  
Stockings  
Suits  
Support hosiery  
Suspenders  
Sweaters  
Sweat bands  
Sweat pants  
Sweat shirts  
Sweat suits  
Ties/neckwear  
Tights  
T-shirts  
Tuxedo (must be sold; rentals are taxable)  
Umbrellas  
Underwear  
Waders  
Wet and dry suits

**The following items are not exempt:**

Any clothing or footwear that is rented

Any item (whether sold or leased) used in a trade or business

Any item placed on layaway or similar deferred payment and delivery plan

Backpacks for hiking and camping (bookbags for school are exempt)

Briefcases

Change purse

Clocks (alarms clocks, wall clocks, etc.)

Clothing that is rented

Computer parts (such as computer monitors, keyboards and scanners when not sold in conjunction with a central processing unit (CPU)) and accessories other than printers and printer supplies (computers, computer software, printers, and printer supplies are exempt)<sup>2</sup>

Cookware

Cosmetics

Costume rentals (rentals are taxable; must be sold to be exempt)

Crib blankets

Daily planners or organizers (whether or not such include a calculator) when not used by school children as a school supply

Employee uniforms

Eyewear

Footwear that is rented

Formal clothing that is rented

Furniture

Gift wrapping paper

Glasses

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<sup>2</sup>See footnote #1.

Goggles  
Golf clubs  
Greeting cards  
Hardware (hand tools, power tools, etc.)  
Helmets (sport, motorcycle, bicycle, etc.)  
Health food supplements  
Hobby equipment, supplies and toys  
Housewares  
Jewelry  
Key cases  
Linens (sheets, blankets, etc.)  
Mitts (baseball fielder's, hockey, etc.) (batting, bicycle, dress, garden, golf, ski, tennis, work gloves are exempt)  
Music tapes, records and compact discs  
Paper products that are not school supplies (greeting cards, gift wrapping paper, etc.)  
Personal flotation devices  
Printer replacement parts (printers are exempt)  
Protective masks and goggles (athletic, sport, or occupational)  
Roller skates not permanently attached to the boot  
Safety clothing for use in a trade or business  
Safety glasses and goggles  
Safety shoes for use in a trade or business  
School office and janitorial supplies  
Sewing accessories  
Shin guards and padding  
Shoulder pads (football, hockey, etc.)  
Sporting equipment (baseball mitts, golf clubs, helmets, hockey mitts, life jackets and vests, masks, pads, swim fins, swimming masks and goggles)  
Stereo equipment  
Sunglasses  
Toys  
Vitamins  
Wallets  
Watch bands  
Watches  
Wigs

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/ Elizabeth Carpentier  
Elizabeth Carpentier, Director

July 10, \_\_\_\_\_, 2000  
Columbia, South Carolina