

SC REVENUE INFORMATIONAL BULLETIN #01-2

SUBJECT: Withholding Tax Deposits

DATE: January 19, 2001

REFERENCES: S. C. Code Ann. Section 12-8-1520 (2000)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (2000)
S. C. Code Ann. Section 1-23-10(4) (Supp. 2000)
SC Revenue Procedure #99-4

SCOPE: A Revenue Informational Bulletin is a written statement issued to the public by the Department to announce general information useful in complying with the laws administered by the Department. **A Revenue Informational Bulletin has no precedential value, and is not binding on the public or the Department.**

The purpose of this informational bulletin is to remind taxpayers of the Department's longstanding administrative policy, last announced in SC Information Letter #98-13 (Administrative Pronouncement), that the Department follows the federal tax deposit regulations on employee withholding.

Accordingly, all resident and nonresident withholding agents who have a federal obligation to pay withholding taxes may deposit and pay withholding taxes on the due dates required under the South Carolina tax deposit regulations or on the due dates required under the federal tax deposit regulations. Therefore, withholding agents generally deposit and pay South Carolina income taxes withheld on the same dates as they do for federal withholding tax purposes.

South Carolina, however, continues to allow nonresident withholding agents, and require all withholding agents who do not have a federal withholding responsibility, to pay on a monthly or quarterly basis. If the amount withheld reaches \$500 at the end of any month, a remittance must be made within 15 days following the end of that month. If the total withholding is less than \$500 per quarter, then payment is due on the last day of the month following the quarter in which the wages were withheld. See Code Section 12-8-1520.

This informational bulletin is being issued at this time because of a recent change in federal tax deposit rules. In November 2000, the Internal Revenue Service announced Temporary Regulation Section 31.6302-1T(f)(4) which provides:

For quarterly and annual return periods beginning on or after January 1, 2001, if the total amount of accumulated employment taxes for the return period is less than \$2,500 and the amount is fully deposited or remitted with a timely filed return for the return period, the amount deposited or remitted will be deemed to have been timely deposited.

For further information, contact the Department of Revenue's Withholding Section at 803-898-5752.