



# Individual Income Tax: General Information and FAQs

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# Frequently Asked Questions

## Getting Started

### Do I need to file a South Carolina Individual Income Tax return?

If you answer YES to any of these questions, you must file a South Carolina Individual Income Tax return.

- **Resident taxpayers under age 65:**
  - Were you required to file a federal Income Tax return which included income taxable by South Carolina? (Residents of SC are taxed on their entire income, regardless of where it was earned, unless specifically exempted by law.)
  - Did you have South Carolina Income Tax withheld from your wages?
- **Resident taxpayers age 65 or older:**
  - **Married filing jointly (both age 65 or older)** - Is your gross income greater than the federal gross income filing requirement amount plus \$30,000?
  - **Any other filing status** - Is your gross income greater than the federal gross income filing requirement amount plus \$15,000?
  - Find the federal gross income filing requirement amount in the federal 1040 instructions, available at [irs.gov](https://www.irs.gov).
  - Did you have South Carolina Income Tax withheld from your wages?
- **Nonresidents:**
  - Did you have South Carolina Income Tax withheld from your wages?
  - Did you have South Carolina gross income, including income from rental property, businesses, or other investments in South Carolina?

### Am I a resident or nonresident?

You are a South Carolina **resident**, even if you live outside of South Carolina, if all of the following are true:

1. Your intention is to maintain South Carolina as your permanent home.
2. South Carolina is the center of your financial, social, and family life.
3. When you are away, you intend to return to South Carolina.

You are a **nonresident** if your permanent home is outside of South Carolina for the entire year and none of the above applies.

For more information on residency and domicile, refer to **Determining a Taxpayer's Domicile for Income Tax Purposes**, available at [dor.sc.gov/policy](https://dor.sc.gov/policy)

## What is my residency status if I moved into or out of South Carolina during the tax year?

You are a part-year resident and may consider yourself a full-year resident or nonresident.

If you file as a full-year resident, file the SC1040. Report all of your income as though you were a resident for the entire year. You will be allowed credit for taxes paid on income taxed by South Carolina and another state, if applicable. Complete the SC1040TC and attach a copy of the other state's Income Tax return.

If you file as a nonresident, file the SC1040 with the Schedule NR. You will be taxed only on income earned while a resident in South Carolina and income from South Carolina sources. You will prorate your deductions. All personal service income earned in South Carolina must be reported.

You may choose the filing method that is most beneficial to you. This option is only available for the tax year that you are a part-year resident.

## How should I file if I am a nonresident of South Carolina but work in this state?

File the SC1040 with the Schedule NR. You will be taxed only on income earned in South Carolina and will prorate your deductions. You must report all personal service income earned in South Carolina.

## How should I file if I am a full-year South Carolina resident but my spouse is not?

If you file a **joint** federal return, you must file a **joint** SC1040 with the Schedule NR. You will report all income for the entire year to South Carolina. Your spouse will only report income earned in this state.

If you file **separate** federal returns, you must file a **separate** South Carolina return. Your spouse must also file a separate South Carolina return if they have income taxable by South Carolina.

## What is my residency status if I am in the armed forces?

- If you enter the armed forces when you are a South Carolina resident, you keep your South Carolina residency status, even if you are absent from the state on military orders. You are subject to the same residency requirements as any other South Carolina resident and are required to file a South Carolina Individual Income Tax return.
- If you are not a South Carolina resident but are stationed in this state by military orders, your military income is not subject to South Carolina Income Tax. If you have other earned income subject to South Carolina tax, file the SC1040 with the Schedule NR. Your spouse may be exempt from South Carolina Income Tax on income from services performed in South Carolina under the Federal Military Spouses Residency Relief Act. See the Schedule NR instructions, available at [dor.sc.gov/forms](https://dor.sc.gov/forms), for more information.

## Use Tax

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### Do I need to pay South Carolina Use Tax?

Use Tax is due on purchases outside of South Carolina for use, storage, or consumption in South Carolina. Use Tax is paid to the SCDOR when state Sales and Use Tax has not been collected by the seller.

## You may need to pay Use Tax if you make purchases:

- from retailers online
- from out-of-state catalog companies
- from home shopping networks
- when visiting another state

The tax rate for the Use Tax is the same as the Sales Tax rate. The rate is determined by where the tangible personal property will be used, stored, or consumed, regardless of where the sale takes place. For more information and updated tax rates, visit [dor.sc.gov/tax/use](https://dor.sc.gov/tax/use).

## You have three options for reporting and paying Use Tax:

1. On line 26 of your SC1040. Calculate your Use Tax using the SC Use Tax Worksheet included in the SC1040 Instructions, available at [dor.sc.gov/forms](https://dor.sc.gov/forms). No additional paperwork is required.
2. Use our free online tax portal, MyDORWAY, at [MyDORWAY.dor.sc.gov](https://MyDORWAY.dor.sc.gov). Log in to your existing account or create a new account to get started. No additional form or paperwork is required.
3. Mail the UT-3 with your check to: **SCDOR, Sales Taxable, PO Box 100193, Columbia, SC 29202**. Make your check payable to SCDOR. Include your name, SSN, and UT-3 in the memo.

**Do not send cash.**

## Submitting your SC1040 and Due Dates

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### What is the due date of my return?

A return for calendar year 2023 is due by April 15, 2024.

A return for a fiscal year tax period is due by the 15th day of the fourth month following the close of your tax year. On the front of the return, complete the dates covered by the fiscal year.

If you file and pay electronically, you have until May 1, 2024 to submit your SC1040 and full payment without penalties or interest. If you don't file and pay by May 1, 2024, penalties and interest will be charged from the tax due date (April 15, 2024) until you file and pay.

The May 1, 2024 due date does not apply to federal returns or returns submitted by paper, both of which are due by April 15, 2024.

## Extensions

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### How do I get more time to file?

If you need more time to file your South Carolina return:

- Request an extension to file by paying your balance due on our free online tax portal, MyDORWAY, at [dor.sc.gov/pay](https://dor.sc.gov/pay). Select **Individual Income Tax Payment** to get started. You do not need to log in or create a MyDORWAY account. Your payment on MyDORWAY automatically submits your filing extension request. No additional form or paperwork is required. You must pay at least 90% of your state tax due with the extension by April 15, 2024.

- If no Income Tax is due, and you have been granted an extension of time to file your federal Income Tax return, we will accept a copy of the federal extension. You do not need to send us a copy of the federal form by the due date of the tax return.
- If you do not have a federal extension, and you have not paid your balance due on MyDORWAY, you must file the SC4868, Request for Extension of Time to File, by April 15, 2024.
- When you file your return, mark the **Extension** box on the front of your SC1040 return to indicate you filed an extension.
- Enter any payment made with your extension request on line 18 of your SC1040.

### Can I extend the time to pay my taxes?

An extension allows additional time to file your SC1040, but **not to pay any taxes due**. You will be charged interest, at the prevailing federal rates, on any unpaid tax. Interest is applied from the original due date of the tax return to the date of the payment. In addition to the interest, you will be charged a penalty of 0.5% per month for failure to pay at least 90% of the total tax due by the original due date. The penalty will be imposed on the difference between the amount paid with the extension and the tax to be paid for the period.

A **Penalty and Interest Calculator** is available on MyDORWAY, our free online tax portal, at [dor.sc.gov/calculator](https://dor.sc.gov/calculator).

### What are the penalties for failing to file a return or filing a fraudulent return?

Any person who deliberately fails to file a return, files a fraudulent return, or attempts to evade the tax in any manner may be liable for a penalty up to \$10,000, imprisoned for up to 5 years, or both.

## Rounding

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### Do I need to round amounts on my return?

Round cents to the nearest whole dollar on your return and schedules. For amounts less than 50 cents, round down to 0. For amounts 50-99 cents, round up to the next dollar. For example: \$2.15 becomes \$2, \$3.50 becomes \$4, and \$4.75 becomes \$5.

## Refunds

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### When will I get my refund?

You can check your current year refund status on our free online tax portal, MyDORWAY, at [dor.sc.gov/refund](https://dor.sc.gov/refund). To avoid long waiting times, we recommend checking your status online before calling us. Our refund status application is updated nightly and has the same information as our representatives. Processing your return and refund is expected to take up to 8 weeks from the date you filed. If you have not received your refund more than 8 weeks after filing your return, contact us at 1-844-898-8542.

## Deceased Taxpayers

### How do I file a return for a deceased taxpayer?

If a person received income during this tax year but died before filing a return, the SC1040 should be filed by their surviving spouse or by an executor or administrator. Use the same filing status that was used on their federal Income Tax return. Mark the **check if deceased** box next to the decedent's Social Security Number.

The due date for filing is the same as for federal purposes. In the signature area of the return, write **Filing as surviving spouse**, if applicable. A personal representative filing the return must sign in their official capacity and attach the SC1310, Statement of Person Claiming Refund Due a Deceased Taxpayer, available at [dor.sc.gov/forms](https://dor.sc.gov/forms). Any refund will be issued to the decedent's surviving spouse or estate.

## Tax Records

### What tax records do I need to keep?

Keep a copy of your return and any schedules, worksheets, or statements used to prepare your return. Keep records that support an item of income or a deduction appearing on the return until the limitations period for the return runs out. The limitations period is generally three years from the date the return was filed or due, whichever is later.

Save any records concerning property, home, stocks, and business property you bought and may sell later. The records kept should show the purchase price, date, and related cost. For real property, records should show the costs and date of the improvements.

Your return may be audited by the IRS or the SCDOR. If audited, the law requires you to show proof of your income, expenses, and the cost of assets.

## Estimated Tax

### Do I need to file a Declaration of Estimated Tax?

You must file an SC1040ES, Declaration of Estimated Tax, if you expect to owe an Income Tax liability of \$100 or more with the filing of your SC1040.

Use the Estimated Tax Worksheet, found in the instructions of the SC1040ES, to compute your Estimated Tax for tax year 2024:

- If you are a resident of South Carolina, use your 2023 SC1040 as a basis for figuring your Estimated Tax.
- If you are a nonresident of South Carolina, use your 2023 SC1040 and the Schedule NR as a basis to calculate the modified South Carolina taxable income to enter on line 3 of the worksheet.

Forms are available at [dor.sc.gov/forms](https://dor.sc.gov/forms).

The following taxpayers **do not** have to file a Declaration of Estimated Tax:

- Farmers and commercial fishermen whose gross income from farming or fishing for 2023 or 2024 is at least two-thirds (66.67%) of their total gross income from all sources. Instead of making four quarterly Estimated Tax payments, farmers and commercial fishermen may choose to pay all of their Estimated Tax by January 15, 2025 or file their 2024 SC1040 and pay the total tax due by March 3, 2025.
- Individuals whose prior tax year liability was \$0 for a full 12 months.
- Nonresidents of South Carolina doing business in this state on a contract basis where the contract is more than \$10,000 and tax is withheld at 2% from each contract payment.

### What are the penalties for failing to pay Estimated Tax?

You may be charged a penalty if:

- You do not pay enough Estimated Tax.
- You do not make your payments by the due date and for the required amount.
- You do not pay at least 90% of the total due. You will not be charged a penalty if your underpayment results from personal service income earned in another state and tax was withheld by the other state.

You can avoid a penalty if you make timely Estimated Tax payments equal to 100% of the tax shown on your SC1040 for the prior tax year (the 100% rule). You must have filed an SC1040 for the prior tax year, and it must have covered a 12-month year.

If the adjusted gross income on your prior year South Carolina Individual Income Tax return was more than \$150,000, the 100% rule is adjusted to 110% of the last year's tax liability. Calculate adjusted gross income by using federal guidelines and making South Carolina adjustments.

Refer to the SC2210, Underpayment of Estimated Tax by Individuals, Estates, and Trusts, available at [dor.sc.gov/forms](https://dor.sc.gov/forms) for more information on computing the underpayment penalty

### How do I file the Declaration of Estimated Tax?

Save time and paper by filing using our free online tax portal, MyDORWAY, at [dor.sc.gov/pay](https://dor.sc.gov/pay). Select **Individual Income Tax Payment** to get started. You do not need to log in or create a MyDORWAY account. Do not mail the SC1040ES if you pay online.

If you pay by check, make your check payable to SCDOR. Include your SSN, tax year, and 2024 SC1040ES in the memo. **Do not send cash.**

Mail your SC1040ES and payment to **SCDOR, IIT Voucher, PO Box 100123, Columbia, SC 29202**. Forms are available at [dor.sc.gov/forms](https://dor.sc.gov/forms).



# Amended Returns and Adjustments

## Filing an Amended Return

### When should I file an amended return?

File an amended return if you were audited by the IRS, or if you amended your federal tax return, unless there was no impact on your state return. An amended return is also necessary if you omitted income, claimed deductions or credits that you were not entitled to, failed to claim deductions or credits you were entitled to, or changed your filing status after you filed your initial return.

You may apply for a refund on either an amended or delinquent return for any tax period which is open under the statute of limitations. The SCDOR will not issue a refund for requests received beyond the limitations period.

In general, a claim for refund must be filed within three years from the date the return was filed or originally due. The refund is limited to the tax paid within the past three years plus the period of any extension. Withholding, Estimated Taxes, and amounts paid with extensions are considered to have been paid on the date the return was originally due.

If a claim is not filed within three years from the date when the return was filed or originally due, the refund is limited to tax paid during the past two years.

### How do I file an amended return?

- **Beginning with tax year 2019**, file a new SC1040 and check the **Amended Return** box on page one of your return. Complete the return as it should have been filed, including all schedules and attachments. Complete the Schedule AMD, Amended Return Schedule, and submit it with your amended SC1040.
- The SCDOR accepts electronically-filed amended returns. Check with your software provider to be sure their products can file amended returns. If you're filing electronically, the Schedule AMD will be included as part of the electronic return process.
- **For tax years 2018 and before**, use the SC1040X to amend your return. Do not use the SC1040 or the Schedule AMD. Mail your SC1040X to South Carolina Department of Revenue, Amended Return, PO Box 125, Columbia, SC 29214-0400.

Forms are available at [dor.sc.gov/forms](https://dor.sc.gov/forms).

## Audits and Adjustments

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### What if I am audited by the IRS?

If you receive a refund or owe additional federal tax, you must file an amended SC1040, along with a Schedule AMD, after the federal audit report becomes final. If filing by paper, check the **Amended Return** box on page one of the SC1040 to indicate that the return is amended.

### Why was my refund adjusted?

The SCDOR assists other state agencies, institutions of higher learning, political subdivisions of the state, and the IRS in collecting overdue balances. All or part of your refund can be sent directly to these claimant agencies if they notify us that you have a past-due account with them. This may include balances for hospital bills, EMS bills, student loans, and utility bills.

The SCDOR charges a \$25 administrative fee to complete a refund set-off. If any of your refund is sent to a claimant agency, the SCDOR will notify you in writing. If your refund exceeds the amount owed the claimant agency plus the \$25 administrative fee, the balance will be issued to you.

If you believe that you do not owe the debt, the amount sent was incorrect, or the debt has already been paid, **you must contact the claimant agency, not the SCDOR**. Our written notification to you will include contact information for the claimant agency.

## Reminders

### Paying Electronically

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#### If I owe \$15,000 or more in connection with any SCDOR return, do I have to file and pay electronically?

Yes, according to the Electronic Mandate provided in SC Code Sections 12-54-250 and 12-54-210, you must file and pay electronically.

#### How do I file and pay electronically?

File electronically by using **Fed/State EFile**. This option allows you to file both federal and state or just the state return electronically and pay with ACH debit using one of our approved vendors. Visit [dor.sc.gov/iit-filing](https://dor.sc.gov/iit-filing) for more information.

Make your payment using our free online tax portal by logging in to [MyDORWAY.dor.sc.gov](https://MyDORWAY.dor.sc.gov) and scrolling to your Individual Income Tax account. If you don't have an account, you can still pay electronically by visiting [dor.sc.gov/pay](https://dor.sc.gov/pay). You cannot file your return through MyDORWAY.

## Changing a Name or Address

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### How do I change my name or address?

If you have a MyDORWAY account, log in to [MyDORWAY.dor.sc.gov](https://MyDORWAY.dor.sc.gov) and select the **More** tab, then click **Manage Names & Addresses** under the **Names & Addresses** section.

If you don't have a MyDORWAY account, complete the SC8822I, Update Name / Address/ Contact Information for Individual, available at [dor.sc.gov/forms](https://dor.sc.gov/forms), and email it along with any required documents to [TaxSupport@dor.sc.gov](mailto:TaxSupport@dor.sc.gov).