

ESSENTIAL INFORMATION FOR FORM ST-403 (Rev. 9/22/14)

Please **read carefully** and **keep this information** in a convenient place for future reference.

WHO MUST FILE

You are required to file form ST-403 to report the state sales, use tax and any local taxes on aviation gasoline sold for use in airplanes and any other sales of merchandise. Note: You must file a return even if there is no tax due for the period. Enter zero "0" on lines 1, 3, 9 and 11 only on the ST-403 if you do not have sales and/or purchases to report for the period.

WHEN TO FILE

Sales and Use Tax returns are due on or before the twentieth (20th) day of the month following the close of the period ended. Example:

Monthly filers: (Return must be received/postmarked by the 20th)

- January reporting period - no later than February 20.
- February reporting period - no later than March 20.
- March reporting period - no later than April 20, etc.
- December reporting period - no later than January 20 (of the next year).

Note: To request a change in your filing status (monthly, quarterly, annual or seasonal) a written request must be made to the South Carolina Department of Revenue. The request must be approved before a return and remittance can be made for the filing status being requested.

Quarterly Filers: (Return must be received/postmarked by the 20th)

- First Quarter (January, February, March) reporting period - no later than April 20.
- Second Quarter (April, May, June) reporting period - no later than July 20.
- Third Quarter (July, August, September) reporting period - no later than October 20.
- Fourth Quarter (October, November, and December) reporting period - no later than January 20 (of the next year).

Annual Filers: (Sales for the entire year)

December return must be received/postmarked no later than January 20 (of the next year).

Seasonal Filers: Seasonal filers are required to file returns only for those months scheduled to be reported. Returns must be received/postmarked no later than the 20th of the next month.

Note: If the 20th falls on a weekend or legal holiday, the return is due on the next business day.

FILING STATE AND LOCAL OPTION SALES AND USE TAX FORMS

ST-403: State Sales and Use Tax Return: This form is available on the SCDOR website (www.dor.sc.gov). When completing this form, you must provide your business name, address, retail license number or use tax registration number, period covered, federal employer identification number or social security number.

ST-389: Schedule for Local Taxes: You are required to file form ST-389 to report the appropriate local sales and use tax to a county or municipality based upon sales or deliveries within the county or municipality. You are required to file this form when:

- Your business is located in a county that imposes the tax or
- Your business delivers to a county or municipality with local tax regardless of whether your business is or is not located in a county that imposes a local tax.

The various local taxes reportable on the ST-389 are indicated on specific pages of form ST-389. See ST-389 instructions for reporting requirements.

ST-389A: Local Option Addendum: Use this form if you need more space for reporting the local option tax located on page 6 of ST-389. You must enter the applicable county/municipality code listed on the reverse side when reporting the local option tax.

ST-8A: Resale Certificate: The resale certificate form is used by retailers (purchasers) to purchase tax-free at wholesale items that are to be resold. This certificate is extended by the purchaser to the seller who maintains the certificate on file as evidence that the sales transaction is not subject to the tax. It is not required that the form

ST-8A be used as long as the certificate presented to the seller contains the purchaser's name, address, and retail sales tax license number. Also, it is not necessary that a certificate be extended each time a sale is made. A resale certificate should not be used by a retailer to purchase items for their own use.

ST-14: Claim For Refund: If you have overpaid your sales/use tax on your return, you should file a claim for refund in the form of a letter or by using the form ST-14, Claim for Refund, and file amended (corrected) figures for the periods requested. **Do not take a credit on the sales and use tax return for any overpayments.** The claim for refund should specify: the name, address, and telephone number of the taxpayer or contact person; the appropriate taxpayer identification number(s); the tax period or date for which the tax was paid; the nature and kind of tax paid; the amount which is claimed as erroneously paid; a statement of facts and documentation supporting the refund position; a statement outlining the reasons for the claim, including any law or other authority upon which you rely; and any other relevant information that the Department may reasonably require.

C-278: Account Closing Form: When closing or selling your business, you are required by law to return your sales and use tax license to the Department of Revenue indicating the date of closing. Complete Form C-278 when closing your business. You must file all returns and pay all taxes due. If you sell your business, the new owner will not be issued a new license until taxes due for locations have been paid.

Change in Ownership: Any change in ownership will require a new owner to complete a Business Tax Application, Form SCDOR-111 and remit the appropriate license fee. The SCDOR-111 is available on our website at www.dor.sc.gov. However, if you would like to obtain a license online (via the internet), go to SC Business One Stop, SC's Business Portal: www.scbos.sc.gov.

SC8822: Change of Name/Address/Business Location: Any change of location requires that written notification be sent to the Department of Revenue by submitting form SC8822.

Filing an Amended Sales and Use Tax Return: Instructions for filing an amended State and Local Sales and Use Return for South Carolina are as follows:

- Check the "Amended Return" box on the top of your State sales and use tax return (e.g., ST-3, ST-388, ST-403 or ST-455). If there is no check box at the top of the return to indicate this is an amended return, be sure to write "Amended" at the top of the return. If your local sales and use tax return (e.g., ST-389) will change, write "AMENDED" across the top of the form.
- When filing an amended return, be sure to complete your return as if it were an original return. In other words, complete the amended return as if you were filing it for the first time. **DO NOT** complete the amended return with figures that represent the difference between the original amounts reported on the return and the amended amounts to be reported on a return.
- If using a copy of the original return, draw a line through any incorrect or wrong amounts as they appear on the original return reported and write down the correct amounts as they should have appeared on the return.
- If you filed an amended return on or by the due date of your original tax return, or if you filed an amended return after the due date of an originally filled return which was timely filed and paid, recalculating the taxpayer's discount may be necessary.
- If you underpaid your taxes when filing an amended return, verify your computations of the underpayment amount and send the additional tax due with applicable penalties and interest. Penalty and Interest calculations are available on our website www.dor.sc.gov under the link P & I Calculator. If you overpaid your taxes, see Form ST-14 (Claim for Refund) for additional information.
- Sign and date the amended return.

All forms pertaining to sales and use tax may be found on our website or by calling (800) 768-3676 or (803) 898-5000.

STEP-BY-STEP INSTRUCTIONS FOR ST-403

Please read this section before completing your form.

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All entries must be typed or hand printed, clearly and legibly. If you are using a blank form (non-preprinted) be sure to indicate the following information: Business Name, Address, Retail License Number or Purchaser's Certificate (Use Tax Registration), Federal Employer Identification Number or other identifying information (Social Security Number) and period covered. Please draw a line through any incorrect information, enter corrections and check the box on your return if your address changed.

If you have a retail license or a use tax registration, you are **required to file** a tax return **even if there is NO TAX DUE** for the period.

IMPORTANT: Complete all lines indicated with a delta (▶) beside it, even if the amount to be reported is zero. The sales tax worksheet instructions have been changed to use the word "item" when referring to entries on the sales tax worksheet and "line" when referring to entries on the front of the form.

WHEN FILING "NO SALES" RETURNS, please enter zeroes on lines 1, 3, 9 and 11 only on the ST-403.

COMPLETE THE SALES AND USE TAX WORKSHEET ON THE BACK OF THE ST-403 BEFORE MAKING ENTRIES ON LINES 1 THROUGH 18.

The sales tax (6%), the aviation fuel tax (6%), and local taxes must be separately reported on the appropriate tax forms.

STEP 1

COMPLETING THE SALES AND USE TAX WORKSHEET #1

ITEMS 1 THROUGH 6 (from back of ST-403)

Item 1: Gross Proceeds of Sales/Rentals and Withdrawals for Own Use

Enter the total amount of all sales (taxable and nontaxable), leases and/or rentals made by the business for the reporting period. Nontaxable sales are to be itemized on Item 4 and deducted on Item 5. **DO NOT INCLUDE THE AMOUNT OF SALES TAX COLLECTED. Do not include your sales of Aviation Gasoline/Aviation Jet Fuel.**

You must also report purchases of tangible personal property (merchandise, equipment, etc.) purchased tax free at wholesale, but used by you and/or your employees. When purchasing merchandise out-of-state, there may be circumstances when additional tax is due. To determine if you owe additional tax, contact the South Carolina Department of Revenue (SCDOR).

Item 2: Out-of-State Purchases Subject to Use Tax

Enter the total purchases of tangible personal property purchased from an out-of-state retailer who did not collect South Carolina use tax. If the tax rate in your county is greater than the tax rate paid out-of-state, contact SCDOR for additional information.

Item 3: Total Gross Proceeds of Sales, Rentals, Use Tax and Withdrawals of Inventory for Own Use

(Add Items 1 and 2.) Enter total here and on Line 1 on the front of ST-403. **If local tax is applicable, enter total on Item 1 of ST-389 worksheet.**

Item 4: Allowable Deductions

To claim a deduction relating to a sale, the sales transaction must be reported on Item 1 or 2 of this worksheet. Enter the type of deduction (see list below) in Column A and the dollar amount of the sale in Column B. South Carolina law provides for a deduction from gross proceeds of sales those items specifically exempt from tax. The list below is used to identify some of the items to be shown as a deduction. Any amount claimed as a deduction on your return must be itemized in Column A and B of this worksheet. You are required to maintain records that will support all deductions claimed on this return. **A further explanation of deductions is available by obtaining a copy of the South Carolina Sales and Use Tax Code of Laws by contacting the Department's Main Office, the Taxpayer Service Centers or visit our website: www.dor.sc.gov.**

Types of Allowable Deductions: (Not all inclusive)

- Sales to the Federal Government
 - 1% tax reduction for purchases made by individuals age 85 or older for their own use
 - Out-of-state sales
 - Sales for resale
 - Installation charges (separately stated on invoice)
- NOTE: This 1% tax reduction does not apply to 2% accommodations or local tax calculation.

Item 5: Total Amount of Deductions

Enter total of Column B.

Item 6: Net Taxable Sales and Purchases

Subtract Item 5 from Item 3 and enter total here.

STEP 2

CALCULATION OF 6% SALES AND USE TAX

LINES 1 THROUGH 8 (on front of ST-403)

IMPORTANT: If it is determined that no entry is needed on a line, PLEASE LEAVE LINE BLANK. Do not write on the lines that do not pertain to you.

Line 1: Gross Proceeds of Sales

Enter the gross proceeds of sales, leases and/or rentals of tangible personal property, withdrawals, and purchases subject to use tax. Do not include sales of aviation gasoline/aviation jet fuel. Enter the total from Item 3 of worksheet #1. Do not include sales tax collected in this amount.

Line 2: Total Amount of Deductions

Enter the total amount of deductions from Item 5 of worksheet #1 (reverse side of your return).

Line 3: Net Taxable Sales and Purchases

Subtract line 2 from line 1 and enter total here.

Line 4: Tax Due

Multiply line 3 x 6% (.06).

Line 5: Taxpayer's Discount

A taxpayer's discount may be claimed when the return is filed and the tax due is paid in full on or before the due date of the return. **No discount** is allowed if the return or payment is received after the due date. The discount is computed as follows:

- If your combined tax liability (lines 4 and 12 of ST-403 and line 2, Column B, page 7 of 8 of ST-389) is less than \$100, the discount rate is 3% (.03) of line 4.
- If your combined tax liability is \$100 or more, the discount rate is 2% (.02) of line 4. Deduct this amount from line 4.

Note: Discounts are not allowed to exceed \$3,000 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000 maximum includes the total discounts for sales/use and local taxes.

Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount. The discount amount is \$10,000 for out-of-state retailers who cannot be required to register for sales and use tax but who voluntarily register to collect and remit the tax. However, you must receive prior approval from the Department of Revenue for the \$10,000 discount.

When claiming the discount amount allowed on tax return, taxpayer must not claim a discount amount that exceed the maximum amount allowed. Any discount amount claimed in excess of the maximum amount allowed will be assessed for the difference.

Line 6: Net Amount Payable

Subtract line 5 from line 4 and enter total here.

Line 7: Penalty and Interest

Enter the total of Penalty and Interest, from calculations below or visit our website: www.dor.sc.gov>Penalty and Interest Calculator

PENALTY FOR FAILURE TO FILE A RETURN: Five percent (.05) of the amount of tax due (from line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed twenty-five percent (.25) of the amount of tax due.

PENALTY FOR FAILURE TO PAY TAX DUE: The penalty is one-half of one percent (.005) of the amount of tax due (the total of line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed a total of twenty-five percent (.25) of the amount of tax due. The penalty for failure to file and pay must be combined and entered as a total on line 7.

INTEREST: Interest is assessed in accordance with Sections 6621 and 6622 of the Internal Revenue Code. Rates are based on the prime rate, subject to change quarterly and are compounded daily.

Line 8: Total Tax Due

Enter total of lines 6 and 7.

STEP 3**COMPLETING THE AVIATION FUEL TAX WORKSHEET #2**

This section is used for reporting tax on aviation gasoline and aviation jet fuel that must be sold for use in an airplane. By definition, aviation gasoline is defined to also include aviation jet fuel manufactured exclusively for use in airplanes and sold for such purposes as well as gasoline manufactured exclusively for use in airplanes and sold for such purposes.

ITEMS 7 THROUGH 10 (from back of ST-403)**Item 7: Gross Proceeds of Sales and Withdrawals for Own Use**

Enter gross proceeds of sales from the sale of aviation gasoline. Enter here and on line 9 on the front of the return. If local tax is applicable, combine Item 7 with amount on Item 3 and enter total on Item 1 of the ST-389 worksheet.

Item 8: Allowable Deductions

Enter the type of transaction and the corresponding amount for the deduction.

Examples of deductions for aviation gasoline tax are listed below:

- Sales for resale
- Out of state deliveries, etc.

Note: You are required to maintain records that will support all deductions claimed on this return. **A further explanation of deductions is available by obtaining a copy of the South Carolina Sales and Use Tax Code of Laws by contacting the Department's Main Office, the Taxpayer Service Centers or visit our website: www.dor.sc.gov.**

Item 9: Total Amount of Deductions

(Total Column B.) Enter total here and on line 10 on front of return.

Item 10: Net Taxable Sales and Purchases of Aviation Gasoline/Aviation Jet Fuel

Subtract Item 9 from Item 7 and enter total here.

STEP 4**CALCULATION OF 6% AVIATION FUEL TAX****LINES 9 THROUGH 16 (on front of ST-403)****Line 9: Gross Proceeds of Sales from the Sale of Aviation Fuel and Withdrawals for Own Use**

Enter the amount from Item 7 of worksheet #2 (from the reverse side of your return). Gross Proceeds of Sales from the Sale of Aviation Fuel includes charges for Aviation Gasoline/Aviation Jet Fuel.

Line 10: Total Amount of Deductions

Enter the total from Item 9 of worksheet #2.

Line 11: Net Taxable Sales and Purchases

Subtract line 10 from line 9 and enter total here.

Line 12: Tax Due

Multiply line 11 X 6% (.06).

Line 13: Taxpayer's Discount

Use the same discount rate as applied on line 5. (Line 12 x Discount Rate)

Line 14: Aviation Net Amount Payable

Subtract line 13 from line 12 and enter total here.

Line 15: Penalty and Interest

Enter the total amount of penalty and interest. See instructions for step 2, line 7.

Line 16: Total Tax Due on Aviation Gasoline/Aviation Jet Fuel

Add lines 14 and 15.

STEP 5**ENTERING TAX FROM ST-389 TO ST-403**

REMINDER: ST-389 must be completed and attached for all additional taxes. If this section does not apply, go to line 18 of the ST-403.

Line 17: Total Local Taxes Due

From Column D, line 5, page 7 of 8 of ST-389.

STEP 6**DETERMINE TOTAL AMOUNT DUE****Line 18: Total of All Taxes Due**

Add lines 8, 16, and 17.

STEP 7**SIGNATURE**

Sign and date your return on the back of the ST-403. All submitted forms must be completed with a valid file number (retail license or use tax registration number) and period covered.

DON'T FORGET -- Returns are past due after the 20th of the month.

If you are not using preprinted forms and it is necessary to use blank forms, be sure to include your social security number or Federal Employer Identification Number (FEIN) in the label section.

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.