



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214-0575

SC INFORMATION LETTER #26-13

SUBJECT: Unprepared Food – Amended Exemption
(Sales and Use Tax)

EFFECTIVE DATE: May 19, 2026

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4) (2005)
S.C. Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

On May 19, 2026, Governor Henry McMaster signed Bill Number H. 5208 (the “Act”), effective May 19, 2026. The Act amends Section 12-36-2120(75) by adding language stating that the unprepared food exemption is not impacted by “any demonstration project pursuant to United States Department of Agriculture regulations that would limit the use of food coupons on otherwise eligible items for a limited period of time.”

Under South Carolina’s approved demonstration project (Healthy Food SC), effective August 31, 2026, certain food items¹ are restricted from the definition of eligible foods that may be purchased with USDA food coupons. The Act makes clear that those food items will continue to be exempt as unprepared food pursuant to Section 12-36-2120(75).

¹ The restricted food items include candy, energy drinks, soft drinks, and sweetened beverages as defined by Executive Order No. 2025-30.