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SC INFORMATION LETTER #89-12

TO: Vicki Jinnette
Public Information Officer

FROM: Jerry B. Knight, Manager
Tax Policy and Procedures Department

DATE: June 13, 1989

SUBJECT: Exemption for Nonprofit Organizations
(Sales and Use)

REFERENCE: S.C. Code Ann. Section 12-35-550 (As Amended July 1, 1989)

AUTHORITY: S.C. Code Ann. Section 12-3-140 (1976)
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

Code Section 12-35-550 has been amended, effective July 1, 1989, to exempt from the sales and use tax:

The gross proceeds of sales or purchases for resale by organizations exempt under Section 12-37-220A(3) and (4) and B(5), (6), (7), (8), (12), (16), (19), (22), and (24) if the net proceeds are used exclusively for exempt purposes and no benefit inures to any individual. An organization whose sales or purchases are exempted by this item is also exempt from the retail license tax provided in Article 3 of this chapter.

Organizations coming within the exemption are:

- (1) public libraries and churches;
- (2) charitable trusts and foundations used exclusively for charitable and public purposes;

- (3) The American Legion, the Veterans of Foreign Wars, the Spanish American War Veterans, the Disabled American Veterans, and Fleet Reserve Association or any similar Veterans Organization chartered by the Congress of the United States;
- (4) The Young Women's Christian Association, Young Men's Christian Association and the Salvation Army;
- (5) The Boy's and Girl's Scouts of America;
- (6) The Palmetto Junior Homemakers Association, the New Homemakers of South Carolina, the South Carolina Association of Future Farmers of America and the New Farmers of South Carolina;
- (7) Any religious, charitable, eleemosynary, educational, or literary society, corporation, or other association;
- (8) Volunteer Fire Departments and Rescue Squads;
- (9) All community owned recreation facilities opened to the general public and operated on a nonprofit basis; and,
- (10) nonprofit or eleemosynary community theatre companies, symphony orchestras, county and community arts councils and commissions and other such companies, which is used exclusively for the promotion of the arts.

Note, this exemption only applies to sales or purchases for resale by the above organizations. Purchases of property used by such organizations (i.e., computers, furniture, supplies, etc.) do not come within the exemption.