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SC INFORMATION LETTER #89-28

TO: Vicki Jinette
Public Information Director

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

DATE ISSUED: July 17, 1989

EFFECTIVE DATE: Applies to all periods open under statute.

SUBJECT: Communication Services
(Sales and Use Tax)

REFERENCE: S.C. Code Ann. Section 12-35-1150 (1976)

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 12-35-1150, which provides a special imposition on communication services, reads:

Notwithstanding any other provision of law, the gross proceeds accruing or proceeding from the charges for the ways or means for the transmission of the voice or of messages, including the charges for use of equipment furnished by the seller or supplier of the ways or means for the transmission of the voice or of messages, are subject to the license, sales or use tax, as provided by this chapter.

In reviewing the issue of communication services (See Revenue Ruling #89-14) with respect to the sales and use tax, the Commission requested that Tax Policy issue this Information Letter. The purpose of this document is to relay to the general public a list of communication services the Commission has consistently held subject to the tax. Such services include:

1. Telephone services (not specifically exempted by Code Section 12-35-550(10))
2. Paging Services
3. Answering Services
4. Cable television

Businesses providing such services are subject to the tax for all periods open under statute, and should register with the Tax Commission.

If there are any questions concerning this Information Letter, contact Tax Policy at (803)737-4440.