



301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #89-8

TO: Vicki Jinnette

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

DATE: June 1, 1989

SUBJECT: Food Stamps and W.I.C. Vouchers  
(Sales Tax)

REFERENCE: 7 USCA 2013(a)

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.

United States Code Section 2013(a) was amended by the Food Security Act of 1985 to prohibit participation in the Federal Food Stamp Program by any state collecting state or local taxes on purchases of food with coupons. Similar provisions were included in the Special Supplemental Food Program for Women, Infants and Children (W.I.C.) vouchers (School Lunch and Child Nutrition Amendment of 1986).

Effective October 1, 1987, the State of South Carolina, pursuant to Code Section 12-35-550(1), exempted from sales tax the sales of qualifying food items, where payment is made with food stamps or W.I.C. vouchers.

Retailers may not add sales tax to such purchases. However, if the customer pays partly in cash, then a retailer may add sales tax for that part of the purchase paid in cash.

In addition, retailers should report all sales on Line 1 of their monthly returns, and take a deduction for food items purchased by food stamps or W.I.C. vouchers on Line 5.