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SC INFORMATION LETTER #90-26

TO: Vicki Jinnette Ringer  
Public Information Director

FROM: Deana West, Tax Analyst  
Tax Policy and Appeals Department

DATE: July 17, 1990

SUBJECT: Sale of Motor Vehicles, Trailers, Semitrailers and Pole Trailers to  
Nonresidents  
(Sales Tax)

REFERENCE: S. C. Code Ann. Section 12-36-930 (Recodified 1990)  
SC Information Letter #90-7  
SC Information Letter #90-8  
SC Information Letter #90-13

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.

Sales of motor vehicles, and trailers, semitrailers and pole trailers of a type to be registered and licensed, to residents of another state are to be taxed at an amount equal to the sales tax which would be imposed on the sale in the purchaser's state of residence. However, the tax on the sale may not exceed the tax that would otherwise be imposed under South Carolina law.

Effective July 1, 1990, New Jersey's sales tax rate was increased from 6% to 7%.

Rhode Island's sales tax rate is increased from 6% to 7% from July 1, 1990 through June 30, 1991. Their law provides for a phased-back reduction in the sales tax rate from 7% to 6.5% for the period July 1, 1991 through June 30, 1992.

The charts attached reflect the changes discussed above and revise those issued in SC Information Letter #90-13.

SALES OF TRAILERS, SEMITRAILERS AND POLE TRAILERS TO NONRESIDENTS  
(Code Section 12-36-930)

EFFECTIVE JULY 10, 1990

Sales of trailers, semitrailers and pole trailers, of a type to be registered and licensed, to residents of the following states are not subject to the South Carolina sales tax.

Alaska	Iowa	Nevada	Oregon
Arkansas	Kentucky	New Hampshire	South Dakota
Delaware	Maryland	New Mexico	Vermont
District of Columbia	Minnesota	North Carolina	West Virginia
Indiana	Montana	Oklahoma	

Sales of trailers, semitrailers and pole trailers, of a type to be registered and licensed, to residents of the following states are subject to the South Carolina Sales Tax. The maximum tax on the sale of trailers or semitrailers pulled by a truck tractor is the lesser of 5% x (S-T) or \$300.00. The maximum tax on the sale of pole trailers, and trailers or semitrailers pulled by a vehicle other than a truck tractor, is 5% x (S-T).

<u>State</u>	<u>Rate(%)</u>	<u>Measure of Tax *</u>	<u>State</u>	<u>Rate(%)</u>	<u>Measure of Tax *</u>
Alabama	2.0	S-T	Missouri	4.425	S-T
Arizona	5.0	S-T	Nebraska	5.0	S-T
California	5.0	S	(1) New Jersey	7.0	S-T
Colorado	3.0	S-T	New York	4.0	S-T
Connecticut	8.0	S-T	North Dakota	6.0	S-T
Florida	6.0	S-T	Ohio	5.0	S-T
Georgia	4.0	S-T	Pennsylvania	6.0	S-T
Hawaii	4.0	S-T	(1) Rhode Island	7.0	S-T
Idaho	5.0	S-T	Tennessee	5.5	S-T
Illinois	6.25	S-T	Texas	6.0	S-T
Kansas	4.25	S-T	Utah	5.09	S-T
Louisiana	4.0	S-T	Virginia	3.0	S
Maine	5.0	S	Washington	6.5	S-T
Massachusetts	5.0	S-T	Wisconsin	5.0	S-T
Michigan	4.0	S	Wyoming	3.0	S-T
(2) Mississippi	6.0/3.0	S-T			

\* S = Sales Price T = Trade-in Allowance

(1) Effective July 1, 1990, New Jersey's and Rhode Island's sales tax rates have increased from 6% to 7%. Rhode Island has provided for a sales tax phase-back reduction to 6.5% for the period July 1, 1991 through June 30, 1992.

(2) After July 1, 1988, sales of semitrailers are taxed at the rate of 3%. All other trailers are taxed at 6%.

(Revised 7/90)

SALES OF MOTOR VEHICLES TO NONRESIDENTS  
(Code Section 12-36-930)

EFFECTIVE JULY 10, 1990

Sales of motor vehicles, as defined in Code Section 56-1-10, to residents of the following states are not subject to the South Carolina Sales Tax.

Alaska	Iowa	Montana	Oklahoma
Arkansas	Kentucky	Nevada	Oregon
Delaware	Maryland	New Hampshire	South Dakota
District of Columbia	Minnesota	New Mexico	West Virginia
Indiana	Mississippi	North Carolina	

Sales of motor vehicles, as defined in Code Section 56-1-10, to residents of the following states are subject to the South Carolina sales tax. The maximum tax on the sale of a motor vehicle is the lesser of 5% x (S-T) or \$300.00.

<u>State</u>	<u>Rate(%)</u>	<u>Measure of Tax *</u>	<u>State</u>	<u>Rate(%)</u>	<u>Measure of Tax *</u>
Alabama	2.0	S-T	Missouri	4.425	S-T
Arizona	5.0	S-T	Nebraska	5.0	S-T
California	5.0	S	(1) New Jersey	7.0	S-T
Colorado	3.0	S-T	New York	4.0	S-T
Connecticut	8.0	S-T	North Dakota	6.0	S-T
Florida	6.0	S-T	Ohio	5.0	S-T
Georgia	4.0	S-T	Pennsylvania	6.0	S-T
Hawaii	4.0	S-T	(1) Rhode Island	7.0	S-T
Idaho	5.0	S-T	Tennessee	5.5	S-T
Illinois	6.25	S-T	Texas	6.0	S-T
Kansas	4.25	S-T	Utah	5.09	S-T
Louisiana	4.0	S-T	(2) Vermont	4.0	S-T
Maine	5.0	S-T	Virginia	3.0	S
Massachusetts	5.0	S-T	Washington	6.5	S-T
Michigan	4.0	S	Wisconsin	5.0	S-T
(2) Mississippi	6.0/3.0	S-T	Wyoming	3.0	S-T

\* S = Sales Price      T = Trade-in Allowance

- (1) Effective July 1, 1990, New Jersey's and Rhode Island's sales tax rates have increased from 6% to 7%. Rhode Island has provided for a sales tax phase-back reduction to 6.5% for the period July 1, 1991, through June 30, 1992.
- (2) Sales tax applies to passenger cars and passenger vans only. The tax does not apply to school buses, mo-peds, motorcycles, small trucks, motor trucks, tractors or any other motor vehicle primarily designed to transport property.

Revised 7/90)