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SC INFORMATION LETTER #90-9

TO: Vicki Jinnette  
Public Information

FROM: John P. McCormack, Manager  
Tax Policy and Procedures Department

DATE: April 3, 1990

SUBJECT: Reciprocity  
(This document rescinds SC Information Letter 88-16)  
(Use Tax)

REFERENCE: S.C. Code Ann. Section 12-35-815 (Supp. 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 12-35-815 reads:

When a taxpayer is liable for the use tax imposed by this article on tangible personal property purchased in another state upon which a sales or use tax was due and paid in the other state, the amount of the sales or use tax due and paid in the other state is allowed as a credit against the use tax due this State, upon proof of payment of the sales or use tax, if the state in which the property was purchased allows substantially similar tax credits on tangible personal property purchased in this State. If the amount of the sales or use tax paid in the other state is less than the amount of use tax imposed by this article, the user shall pay the difference to the Commission.

In summary, South Carolina will allow a credit, against the South Carolina use tax, for sales or use tax due and paid on purchases of tangible personal property in other states in accordance with the attached chart.

RECIPROCITY(Code Section 12-35-815)

South Carolina will allow a credit, against the use tax, for sales or use tax due and paid on purchases of tangible personal property in the following states (subject to the exceptions noted in the footnotes):

Alabama	Kentucky	Ohio
Arizona	Louisiana	Oklahoma (1)
Arkansas (1)	Maine	Pennsylvania
California	Maryland (1)	Rhode Island
Colorado	Massachusetts	South Dakota (4)
Connecticut	Michigan	Tennessee
District of Columbia (1)	Minnesota	Texas
Florida	Mississippi (2)	Utah
Georgia	Missouri	Vermont (3)
Hawaii	Nebraska	Virginia
Idaho	New Jersey	Washington
Illinois	New Mexico (1)	West Virginia (1)
Indiana (1)	New York	Wisconsin
Iowa	North Carolina (4)	Wyoming
Kansas	North Dakota	

South Carolina will not allow a credit, against the use tax, for sales or use tax due and paid on purchases of tangible personal property in the following states:

Alaska	Montana	New Hampshire
Delaware	Nevada	Oregon

- (1) Arkansas, District of Columbia, Indiana, Maryland, New Mexico, Oklahoma, and West Virginia do not allow a credit for tax paid on the purchase of motor vehicles, trailers, semitrailers and pole trailers. Therefore, South Carolina will not allow a credit, against the use tax, for sales or use tax paid in these states on such purchases.
- (2) The state of Mississippi does not allow a credit for tax paid on the purchase of "automobiles, trucks and truck-tractors". Therefore, South Carolina will not allow a credit, against the use tax, for sales or use tax paid on these purchases. However, the terms "automobiles", "trucks" and "truck-tractors" do not include mobile homes, campers, trailers, semitrailers, motorcycles, warehouse trucks, drag lines, golf carts and similar vehicles; therefore, South Carolina will allow a credit for tax paid on these purchases.
- (3) The state of Vermont allows a credit for tax paid on the purchase of passenger cars and passenger vans only. Therefore, South Carolina will allow a credit, against the use tax, for sales or use tax paid on such purchases. However, a credit will not be allowed on the purchase of school buses, mopeds, motorcycles, small trucks, motor trucks, tractors or any other motor vehicle primarily designed to transport property.
- (4) North Carolina and South Dakota impose a type of excise tax, other than a sales or use tax, on the purchase of motor vehicles, trailers, semitrailers and pole trailers. Therefore, South Carolina will not allow a credit, against the use tax, for excise tax paid, if any, in these states on such purchases.