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State of South Carolina  
**Department of Revenue**  
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

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SC INFORMATION LETTER #96-13 (TAX)

**SUBJECT:** Cherokee County School District One Sales and Use Tax  
(Local Sales and Use Tax)

**DATE:** May 22, 1996

**SUPERSEDES:** SC Information Letter #94-29 and all previous documents and any oral directives in conflict herewith.

**REFERENCE:** Act 588 of 1994

**AUTHORITY:** S.C. Code Ann. Section 12-4-320 (Supp. 1995)  
SC Revenue Procedure #94-1

**SCOPE:** An Information Letter is a document issued for the purpose of disseminating general information or information concerning an administrative pronouncement.

Information Letters issued to disseminate general information have no precedential value and do not represent the official position of the Department. Information Letters designated as administrative pronouncements are official advisory opinions of the Department.

On May 11, 1994 the General Assembly enacted the Cherokee County School District One School Bond-Property Tax Relief Act. This Act provides that upon public approval in a referendum conducted by the Cherokee County Election Commission, a 1% optional sales and use tax may be imposed in Cherokee County for not more than 20 years. The revenue from this 1% sales and use tax will be used to pay debt service on general obligation bonds which were issued to defray the costs of specified improvements for Cherokee County School District One. The imposition of the 1% sales and use tax was approved in the referendum.

Later in 1994, the constitutionality of this legislation was challenged by a Cherokee County resident. The School Board, in a resolution dated October 11, 1994, decided to delay the implementation of the tax while the matter was being litigated. The resolution authorizes the imposition of the tax "beginning July 1, 1996, or upon the first day of the third full month following the adoption of a subsequent resolution of [the] Board requiring the imposition of the tax, whichever occurs earlier."

On May 2, 1996, the State Supreme Court ruled that the legislation, Act 588 of 1994, was constitutional.

Based on the above cited resolution, the 1% sales and use tax will be imposed in Cherokee county (not just area within Cherokee County School District One) beginning July 1, 1996.

The Department will, in the near future, issue information to assist taxpayers in complying with the provisions of this legislation, including information concerning the exemption from this 1% tax (not the 5% State tax) for the sale of food which may lawfully be purchased with United States Department of Agriculture food stamps.