

SC INFORMATION LETTER 98-13

SUBJECT: ADMINISTRATIVE PRONOUNCEMENT
Withholding Tax Deposits

DATE: July 8, 1998

SUPERSEDES: All previous documents and any oral directives in conflict herewith.

REFERENCE: S. C. Code Ann. Section 12-8-1520 (Supp. 1997)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. 1997)
SC Revenue Procedure #97-8

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.

The purpose of this Information Letter is to remind taxpayers of the Department's longstanding administrative policy, last announced in South Carolina Information Letter #93-16, that the Department follows the federal tax deposit regulations on employee withholding.

Accordingly, all resident and nonresident withholding agents who have a federal obligation to pay withholding taxes may deposit and pay withholding taxes on the due dates required under the South Carolina tax deposit regulations or on the due dates required under the federal tax deposit regulations. Therefore, withholding agents generally deposit and pay South Carolina income taxes withheld on the same dates as they do for federal withholding tax purposes.

South Carolina, however, continues to allow nonresident withholding agents, and require all withholding agents who do not have a federal withholding responsibility, to pay on a monthly or quarterly basis. If the amount withheld reaches \$500 at the end of any month, a remittance must be made within 15 days following the end of that month. If the total withholding is less than \$500 per quarter, then payment is due on the last day of the month following the quarter in which the wages were withheld. See Code '12-8-1520.

This Information Letter is being issued at this time because of a recent change in federal tax deposit rules. In June 1998, the Internal Revenue Service announced Temporary Regulation '31.6302-1T which provides:

For quarterly return periods beginning on or after July 1, 1998, and annual return periods beginning on or after January 1, 1999, if the total amount of accumulated employment taxes for the return period is less than \$1,000 and the amount is fully deposited or remitted with a timely filed return for the return period, the amount deposited or remitted will be deemed to have been timely deposited.

For further information, contact the Department of Revenue's Withholding Section at 803-898-5752.