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State of South Carolina  
Department of Revenue  
301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214  
Website Address: <http://www.sctax.org>

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SC REVENUE RULING 05-9

- SUBJECT:** Sales Tax Holiday  
(Sales and Use Tax)
- EFFECTIVE DATE:** Beginning 12:01 a.m. on the first Friday in August and ending at twelve midnight the following Sunday
- SUPERSEDES:** For sales tax holidays for 2005 and thereafter, this advisory opinion supersedes all previous advisory opinions and any oral directives in conflict herewith.
- REFERENCES:** S. C. Code Ann. Section 12-36-2120(57) (Supp. 2004)  
House Bill 3768, Section 57, of 2005 (Enacted June 7, 2005)
- AUTHORITY:** S. C. Code Ann. Section 12-4-320 (2000)  
S. C. Code Ann. Section 1-23-10(4) (Supp. 2004)  
SC Revenue Procedure #03-1
- SCOPE:** The purpose of a Revenue Ruling is to provide guidance to the public and to Department personnel. It is a written statement issued to apply principles of tax law to a specific set of facts or a general category of taxpayers. A Revenue Ruling does not have the force or effect of law, and is not binding on the public. It is, however, the Department's position and is binding on agency personnel until superseded or modified by a change in statute, regulation, court decision, or advisory opinion.

**LAW**

Code Section 12-36-2120(57) exempts from the sales and use tax:

- (a) sales taking place during a period beginning 12:01 a.m. on the first Friday in August and ending at twelve midnight the following Sunday of:
  - (i) clothing;
  - (ii) clothing accessories including, but not limited to, hats, scarves, hosiery, and handbags;
  - (iii) footwear;
  - (iv) school supplies including, but not limited to, pens, pencils, paper, binders, notebooks, books, bookbags, lunchboxes, and calculators;

- (v) computers, printers and printer supplies, and computer software;
- (vi) bath wash clothes, blankets, bed spreads, bed linens, sheet sets, comforter sets, bath towels, shower curtains, bath rugs and mats, pillows, and pillow cases.

(b) The exemption allowed by this item does not apply to:

- (i) sales of jewelry, cosmetics, eyewear, wallets, watches;
- (ii) sales of furniture;
- (iii) a sale of an item placed on layaway or similar deferred payment and delivery plan however described;
- (iv) rental of clothing or footwear;
- (v) a sale or lease of an item for use in a trade or business.

(c) Before July tenth of each year, the department shall publish and make available to the public and retailers a list of those articles qualifying for the exemption allowed by this item.

### **EXAMPLES OF EXEMPT AND NON-EXEMPT ITEMS**

Pursuant to Code Section 12-36-2120(57) cited above, the department publishes the following list as examples of items it believes to be exempt and non-exempt:

**Exempt items (Provided the item (1) is not used in a trade or business or (2) is not placed on layaway or similar deferred payment and delivery plan or (3) is not clothing or footwear that is rented) include:**

Adult diapers  
Aerobic clothing  
Antique clothing  
Aprons  
Athletic or sport uniforms or clothing (but not equipment such as mitts, helmets and pads)  
Baby bibs  
Baby clothes  
Baby diapers (cloth or disposable)  
Baby shoes  
Bandannas  
Barrettes  
Bath mats  
Bath rugs  
Bath towels (all sizes, including beach towels)  
Bath wash cloths  
Bathing caps  
Bathing suits  
Bathing trunks  
Beach capes and coats  
Bed comforters and bed comforter sets  
Bed duvets and covers

Bed linens, including baby bumper pads, canopies, baby crib padding, bed skirts, box spring covers, dust ruffles, mattress pads, mattress toppers, pillow covers, and shams (box springs, drapes, mattresses, table cloths, and window curtains and other window treatments are taxable)

Bed pillow cases

Bed pillows (e.g. baby pillows, body pillows, husband pillows, throw pillows)

Bed sheets and bed sheet sets

Bed spreads

Belt buckles

Belts/suspenders

Blankets (e.g. afghan, baby, electric, and throw)

Blouses

Bobby pins

Bonnets

Boots (climbing, hiking, riding, ski, waders, fishing, cowboy)

Bow ties

Bras

Bridal gowns and veils (must be sold; rentals are taxable)

Capri pants

Caps

Coats, capes and wraps

Computer hardware service contracts sold in conjunction with computers

Computer software

Computer software service contracts sold in conjunction with computer software

Computer software service contracts when the true object of the contract is to obtain computer software updates during the contract period

Computers (computer parts, such as computer monitors, keyboards and scanners, when not sold in conjunction with a central processing unit (CPU) and accessories are taxable)<sup>1</sup>

Corset laces

Corsets

Costumes (must be sold; rentals are taxable)

Coveralls

Daily planners or organizers when used by school children as a school supply

Dress shields

Dresses

Earmuffs

Elastic ponytail holders

Fishing boots

Formal clothing (must be sold; rentals are taxable)

Furs

Galoshes

Garters/garter belts

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<sup>1</sup> Since sales tax is a "transaction tax," and since the law did not exempt computer parts (only computers), then the sale of a computer monitor, keyboard, or scanner by itself would not be exempt during the sales tax holiday. If a monitor, keyboard or scanner is purchased as part of a package which included the computer processing unit (CPU), then that is one transaction to purchase a computer and the sale of the packaged unit (CPU, monitor, keyboard, scanner) would be exempt.

Girdles  
Gloves (batting, bicycle, dress, garden, golf, ski, tennis)  
Gowns  
Graduation caps and gowns (must be sold; rentals are taxable)  
Gym suits  
Hair bows  
Hair clips  
Hand muffs  
Handbags  
Handkerchiefs  
Hats  
Headbands  
Hosiery  
Hunting vests  
Ice skates (rentals are taxable)  
In-line skates (rentals are taxable)  
Jackets  
Jeans  
Jogging suits  
Jumpers  
Leg warmers  
Leotards and tights  
Lingerie  
Mittens  
Nightgowns  
Overshoes  
Pajamas  
Pants  
Pantsuits  
Pantyhose  
Personal Digital Assistants (hand-held computers used as daily planners)  
Pillow cases  
Pillows (all types)  
Ponchos  
Printer supplies (replaceable ink cartridges used in printers are exempt from tax as "printer supplies")  
Printers (replacement parts are taxable)  
Prom dress (must be sold; rentals are taxable)  
Purses  
Raincoats  
Rainwear  
Riding pants  
Robes  
Roller skates (provided the skates are permanently attached to the boots) (rentals are taxable)  
Sandals  
Scarves

School supplies<sup>2</sup> including, but not limited to, pens, pencils, paper, binders, notebooks, books<sup>3</sup>, blue books<sup>4</sup>, bookbags, lunchboxes, musical instruments<sup>5</sup> and calculators (school office and janitorial supplies are taxable)

School uniforms

Scout uniforms

Shawls and wraps

Shirts

Shoes (ballet, baseball, bicycle, boat, boots, bowling (taxed if rented), cleated, cross trainers, flip-flops, football, golf, jazz/dance, soccer, track, in-line skates, ice skates, running, etc.) (rentals are taxable)

Shorts

Shoulder pads for dresses, jackets, etc. (but not athletic or sport protective pads)

Shower curtains and liners (shower curtain hooks and rings and shower curtain rods are taxable)

Ski boots (snow) (rentals are taxable)

Ski masks

Ski suits (snow)

Skin diving suits

Skirts

Sleepwear

Slippers

Slips

Sneakers

Socks

Sport clothing and uniforms (but not equipment such as mitts, helmets, and pads)

Sport jacket

Stockings

Suits

Support hosiery

Suspenders

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<sup>2</sup> It is the opinion of the department that “school supplies” are items used in the classroom or at home with respect to school assignments and include, but are not limited to, pens, pencils, paper, binders, notebooks, books, bookbags, lunchboxes, and calculators.

Items such as refrigerators, toiletries, bicycles and food purchased by college students are not school supplies and not exempt from the tax.

Attached as **Exhibit “A”** is a statement that a retailer may use to determine if a customer is purchasing an item as a school supply. The form should be attached to the bill of sales for record keeping purposes. Please note that this statement is not required and is merely provided by the department to assist retailers during the sales tax holiday.

<sup>3</sup> Code Section 12-36-2120(2)(a) already exempts from the tax books used as part of a course of study in elementary schools, high schools and institutions of higher learning. The exemption for books during the "sales tax holiday" applies to other books (e.g. dictionaries, thesauruses, encyclopedias, and books used for science projects, book reports, extra credit, and other reading requirements) used for school purposes.

<sup>4</sup> "Blue books" are blank notebooks with blue covers which are typically used to write college examinations.

<sup>5</sup> Musical instruments are exempt as school supplies if used in the classroom or at home with respect to school assignments.

Sweat pants  
Sweat shirts  
Sweat suits  
Sweatbands  
Sweaters  
Ties/neckwear  
Tights  
Towels of all types and sizes, including bath, beach, kitchen, and sport towels (paper towels are taxable)  
T-shirts  
Tuxedo (must be sold; rentals are taxable)  
Umbrellas  
Underwear  
Waders  
Wet and dry suits

Note: Fabric, thread, yarn, buttons, snaps, hooks, zippers and like items which become a physical component part of clothing or bed linens, blankets, comforters, and other exempt items listed above are exempt from tax.

**The following items are not exempt:**

Any clothing or footwear that is rented

Any item (whether sold or leased) used in a trade or business

Any item placed on layaway or similar deferred payment and delivery plan

Backpacks for hiking and camping (bookbags for school are exempt)

Bathroom accessories or supplies (soap, shower curtain hooks and rings, shower curtain rods, toothbrush holders, towel holders, tissue box covers, toilet paper, wastebaskets)

Box springs

Briefcases

Change purse

Clocks (alarms clocks, wall clocks, etc.)

Clothing that is rented

Computer parts (such as computer monitors, keyboards and scanners when not sold in conjunction with a central processing unit (CPU)) and accessories other than printers and printer supplies (computers, computer software, printers, and printer supplies are exempt)<sup>6</sup>

Cookware

Cosmetics

Costume rentals (rentals are taxable; must be sold to be exempt)

Daily planners or organizers (whether or not such include a calculator) when not used by school children as a school supply

Drapes

Employee uniforms

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<sup>6</sup> See footnote #1.

Eyewear  
Footwear that is rented  
Formal clothing that is rented  
Furniture  
Gift wrapping paper  
Glasses  
Goggles  
Golf clubs  
Greeting cards  
Hardware (hand tools, power tools, etc.)  
Health food supplements  
Helmets (sport, motorcycle, bicycle, etc.)  
Hobby equipment, supplies and toys  
Housewares  
Jewelry  
Key cases  
Mattresses  
Mitts (baseball fielder's, hockey, etc.) (batting, bicycle, dress, garden, golf, ski, tennis, work gloves are exempt)  
Music tapes, records and compact discs  
Paper products that are not school supplies (greeting cards, gift wrapping paper, etc.)  
Paper towels  
Personal flotation devices  
Printer replacement parts (printers are exempt)  
Protective masks and goggles (athletic, sport, or occupational)  
Roller skates not permanently attached to the boot  
Safety clothing for use in a trade or business  
Safety glasses and goggles  
Safety shoes for use in a trade or business  
School office and janitorial supplies  
Sewing accessories  
Sheet stretchers  
Shin guards and padding  
Shoulder pads (football, hockey, etc.)  
Shower curtain hooks and rings  
Shower curtain rods  
Sleeping bags  
Sporting equipment (baseball mitts, golf clubs, helmets, hockey mitts, life jackets and vests, masks, pads, swim fins, swimming masks and goggles)  
Stereo equipment  
Sunglasses  
Table cloths  
Table placemats and other table supplies (napkins, napkin holders)  
Tissue box covers  
Toilet paper  
Toothbrush holders  
Towel holders

Toys  
Vitamins  
Wallets  
Wastebaskets  
Watch bands  
Watches  
Wigs  
Window curtains  
Window treatments (curtains, drapes, shades, valances)

If you have any questions, you may call the Department of Revenue at (803) 898-5788 or e-mail the Department at **salestax@sctax.org**.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Burnet R. Maybank III  
Burnet R. Maybank III, Director

June 29, 2005  
Columbia, South Carolina



**EXHIBIT "A"**

**School Supplies - Information and Purchaser's Statement**

It is the opinion of the department that "school supplies" are items used in the classroom or at home with respect to school assignments and include, but are not limited to, pens, pencils, paper, binders, notebooks, books, bookbags, lunchboxes, and calculators.

Items such as refrigerators, toiletries, bicycles and food purchased by college students are not school supplies and not exempt from the tax.

The **following** is a statement that a retailer may use to determine if a customer is purchasing an item as a school supply. The form should be attached to the bill of sale for record keeping purposes. Please note that this statement is not required and is merely provided by the department to assist retailers during the sales tax holiday.

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I state that the below-listed item will be used as a school supply and therefore is exempt from the sales tax. I further understand that if it is later determined that it is not used as a school supply and the tax is due, I will reimburse the retailer for the tax.

\_\_\_\_\_  
Item purchased

\_\_\_\_\_  
Signature of purchaser

August\_\_\_\_, \_\_\_\_\_