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

SC REVENUE RULING # 97-5

SUBJECT: Sales of Travel Trailers to Nonresidents
(Sales and Use)

EFFECTIVE DATE: Applies to all periods open under the statute.

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

REFERENCES: S. C. Code Ann. Section 12-36-930 (Supp. 1996)
S. C. Code Ann. Section 12-36-2110(A)(6) (Supp. 1996)

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

SCOPE: A Revenue Ruling is the Department of Revenue's official advisory opinion of how laws administered by the Department are to be applied to a specific issue or a specific set of facts, and is provided as guidance for all persons or a particular group. It is valid and remains in effect until superseded or modified by a change in the statute or regulations or a subsequent court decision, Revenue Ruling or Revenue Procedure.

Question:

What amount of sales tax is be imposed on sales of travel trailers to nonresidents?

Conclusion:

If the seller obtains a Form ST-385 from the purchaser and meets the other requirements of Code Section 12-36-930(B), the amount of sales tax due is the lesser of the amount of tax which would have been due had the customer purchased the travel trailer in the customer's state of residence or the amount of tax a resident would pay under Chapter 36 of Title 12. The amount of tax a resident would pay under Chapter 36 of Title 12 is the lesser of 5% of the sales price of the travel trailer, less any trade-in allowance, or \$300.

Discussion:

South Carolina Code Section 12-36-930 reads:

- (A) The tax imposed by this article [sales tax] on sales of....**trailers**....of a type to be registered and licensed, to a resident of another state, is the lesser of:
- (1) an amount equal to the sales tax, which would be imposed in the purchasers state of residence, or

- (2) the tax that would be imposed under this chapter.
- (B) At the time of the sale, the seller shall:
 - (1) obtain from the purchaser a notarized statement of the purchasers intent to license the vehicle, within ten days, in the purchasers state of residence [Form ST-385]; and
 - (2) retain a signed copy of the notarized statement. The purchaser shall give a copy to the sales tax agency of the purchasers state of residence.
- (C) No tax is due if a nonresident will not receive credit in his state of residence for sales tax paid to this State under this section. (Emphasis added.)

As for “the tax that would be imposed under this chapter [Chapter 36]”, Code Section 12-36-2110 reads, in part:

- (A) The maximum tax imposed by this chapter is three hundred dollars for each sale....or lease....of each:

* * * *

- (6) recreational vehicle, including tent campers, *travel trailer*, park model, park trailer, motor home, and fifth wheel; or (Emphasis added.)

It must be determined whether the term “trailer” in Section 12-36-930 includes *travel* trailers.

The term “trailer,” as used in Section 12-36-930, applies to all trailers that are of a type to be registered and licensed in South Carolina. Per South Carolina Code Section 56-3-720, travel trailers must be registered and licensed in South Carolina. Therefore, Section 12-36-930 is applicable to sales of travel trailers. The amount of tax to be charged is the lesser of the amount of tax that would have been due in the customer’s state of residence or the amount of tax a resident would pay under Chapter 36 of Title 12. The amount of tax a resident would pay under Chapter 36 of Title 12 is the lesser of 5% of the sales price of the travel trailer, less any trade-in allowance, or \$300. If the customer’s state of residence does not tax sales of travel trailers, then the dealer in South Carolina is not to charge this state’s tax. The same is true if the nonresident’s state does not allow a credit for the sales tax paid in South Carolina - this state’s tax is not to be imposed.

NOTE - To come within the provisions of Section 12-36-930, the dealer must obtain a Form ST-385 from the purchaser and have it available for examination by the Department of Revenue.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Burnet R. Maybank III

 Burnet R. Maybank III, Director

Columbia, South Carolina
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