Chapter 12

Local Sales and Use Taxes

A. General Information

The South Carolina Code of Laws allows the imposition of various types of local sales and use taxes. Citizens of a county, depending upon the needs within the county, may impose one or several local sales and use taxes. Municipal councils, or the citizens of a municipality, may impose a sales and use tax[1] for tourism development if the municipality is located in a county where revenue from state accommodations tax is at least $14 million in a fiscal year.

The Department publishes a chart with the various types of local sales and use taxes collected by the Department and the exemptions allowed under each tax. As of the date of this document, South Carolina Information Letter #19-16 contains the most recently published information; updated information will be published in new information letters on the Department's website (dor.sc.gov) as warranted.

Most local taxes administered and collected by the Department on behalf of local jurisdictions are administered and collected on a county-wide basis. However, the Catawba Tribal Sales and Use Tax is only imposed on the Catawba Indian Reservation and the Tourism Development Fee is only imposed on a municipal-wide basis. The criteria discussed in this publication, unless otherwise indicated in legislation enacted by the General Assembly, will also apply to any future sales and use taxes administered and collected by the Department on behalf of a jurisdiction on a county-wide, municipal-wide or other basis as established by the General Assembly.

Please note that this chapter only addresses the general local sales and use taxes collected by the Department on behalf of local jurisdictions (e.g., counties, municipalities, school districts) and the tribal sales tax collected by the Department on behalf of the Catawba Indian tribal government.[2] It does not address the local taxes, or beach preservation fees, on sales of accommodations or the local taxes on sales of prepared meals that are collected directly by the counties or municipalities.

[1] This municipal sales and use tax is actually a fee (Local Option Tourism Development Fee) imposed under Article 9 of Chapter 10 of Title 4. For purposes of simplicity, this fee will be referred to as a sales and use tax in this publication.
[2] The tribal use tax is collected directly by the Catawba Indian tribal government.

B. Types of Local Sales and Use Taxes

The following is a list of local sales and use taxes[3] that the General Assembly has authorized the Department to administer and collect on behalf of local jurisdictions that may enact one or more of these local sales and use taxes.

Local Option: The local option sales and use tax is authorized under South Carolina Code §4-10-10 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed to reduce the property tax burden on persons in the counties that impose this type of local tax and is collected by the Department on behalf of these counties.

Capital Projects: The local capital projects sales and use tax is authorized under South Carolina Code §4-10-300 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed specifically to defray the debt service on bonds issued for various capital projects in the counties that impose this type of local tax and is collected by the Department on behalf of these counties.

Transportation: The local transportation projects sales and use tax is authorized under South Carolina Code §4-37-30 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed specifically to defray the debt service on bonds issued for various transportation projects in the counties that impose this type of local tax and are collected by the Department on behalf of these counties.

Personal Property Tax Relief: The personal property tax relief sales and use tax is authorized under South Carolina Code §4-10-510 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed in lieu of the personal property tax imposed on private passenger motor vehicles, motorcycles, general aviation aircraft, boats, and boat motors. The tax may not exceed the lesser of 2% or the amount necessary to replace the property tax on vehicles, motorcycles, general aviation aircraft, boats, and boat motors in the most recently completed fiscal year. **As of the date of this publication, this tax is not being imposed.**

[3] The General Assembly may authorize other local sales and use taxes in the future. Unless such legislation states otherwise, any such new local sales and use tax will be administered and collected in the same manner as the taxes listed in this publication. In addition, the Catawba Indian Tribal Sales Tax is not a local tax; however, it is administered and collected by the Department in a similar manner and is therefore included on this list.

Local Property Tax Credits: The local option sales and use tax for local property tax credits is authorized under South Carolina Code §4-10-720 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed to provide a credit against property tax imposed by a political subdivision for all classes of property subject to the property tax and is collected by the Department on behalf of these counties. **As of the date of this publication, this tax is not being imposed.**

Education Capital Improvement Sales and Use Tax: The school district or school districts within a county may impose a 1% sales and use tax within the county for specific education capital improvements for the school district. The tax is authorized under South Carolina Code §4-10-410 et seq. and must be approved by a referendum open to all qualified electors residing in the county. Pursuant to a memorandum of agreement, a portion of the revenue may be shared with the area commission (governing body of a technical college) or higher education board of trustees (governing body of a public institution of higher learning) or both, for specific education capital improvements on the campus of the recipient located in the county listed in the referendum.

The General Assembly has established several criteria that make a county or school district eligible to impose this tax. The county or school district must meet only one of these criteria, established in South Carolina Code §4-10-470, in order for the tax to be imposed within the county. Depending on the criteria met, this tax may be imposed for up to 15 years.

School District Taxes: The General Assembly has authorized certain school districts to impose a sales and use tax within the county. These taxes are generally imposed to pay debt service on general obligation bonds and/or the cost of capital improvements. These taxes are imposed county-wide, whether imposed by the county or one or more school districts.

As of the date of this publication, these school district taxes are being imposed at a rate of 1%:[4]

County	Act Authorizing Tax
Chesterfield	Act No. 441 of 2000
Clarendon	Act No. 355 of 2004 and Act No. 195 of 2005
Dillon	Act No. 137 of 2007
Jasper	Act No. 146 of 2001
Lexington	Act No. 378 of 2004, Act No. 88 of 2011, and Act No. 278 of 2018
Marlboro	Act No. 204 of 2005

[4] See South Carolina Information Letter #19-16 for the date each school district tax was first imposed.

Catawba Indian Tribal Tax: The Catawba Indian Reservation is located in Lancaster and York counties. The application of either the state sales and use tax or the Catawba Tribal sales and use tax for sales (deliveries) made on the Catawba Indian Reservation are determined by the Catawba Indian Claims Settlement Act. The specific sales and use tax provisions can be found in South Carolina Code §27-16-130(H). The Catawba Tribal sales and use tax expires on November 28, 2092.

The following chart provides a summary of these provisions:

Delivery on the Reservation From:	Type Tax Applicable	Administered and Collected By:
Location On the Reservation	Tribal Sales Tax (Equal to Combined State and Local Rate*)	DOR
Location Off the Reservation But in SC – Sales $100 or less	State Sales Tax (Local taxes would not be applicable in these circumstances.)	DOR
Location Off the Reservation But in SC – Sales Over $100	Tribal Sales Tax (Equal to Combined State and Local Rate*)	DOR
Location Off the Reservation and Outside the State – Seller Registered with DOR	State Use Tax (Local taxes would not be applicable in these circumstances.)	DOR
Location Off the Reservation and Outside the State – Seller Not Registered with DOR	Tribal Use Tax (Equal to Combined State and Local Rate*)	Catawba Indian Tribe

***** Lancaster County imposes a 1% Local Option Tax and a 1% Capital Projects Tax. York County imposes a 1% Capital Projects Tax. These local taxes are in addition to the State sales and use tax. Therefore, effective May 1, 2016, the tribal sales tax and the tribal use tax are imposed at the following rates:

For sales (deliveries) made on the Reservation within Lancaster County:

8% for general sales of tangible personal property
9% for sales of accommodations
1% for sales of unprepared foods**

For sales (deliveries) made on the Reservation within York county:

7% for general sales of tangible personal property
8% for sales of accommodations
0% for sales of unprepared foods***

Please note that the rate for the tribal sales tax and the tribal use tax may increase or decrease dependent upon whether the total state and local sales and use tax rates change in Lancaster County or York County in the future.

****** Note: Lancaster County "re-imposed" the 1% Capital Projects Tax effective May 1, 2016. The new Capital Projects Tax in Lancaster County exempts sales of unprepared food effective May 1, 2016; however, the 1% Local Option Tax does not exempt sales of unprepared food.

***Note: York County's 1% Capital Projects Tax, which expired on April 30, 2018, was "re-imposed" effective the next day, May 1, 2018. The Capital Projects Tax in York County continues to exempt sales of unprepared food.

Tourism Development Tax: The local tourism development sales and use tax is authorized under South Carolina Code §4-10-910 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax and may only be imposed by a municipality located in a county where revenue from the state accommodations tax is at least $14 million in a fiscal year. This tax may be imposed by an ordinance adopted by a two-thirds majority of the municipal council or by approval by a majority of qualified electors voting in a referendum authorized by a majority of the municipal council. The tax is imposed specifically for tourism advertisement and promotion directed at non-South Carolina residents; however, in the third and subsequent years of this tax, a portion of the tax may be used for certain property tax rollbacks. The tax is collected by the Department on behalf of these municipalities.

C. Local Sales and Use Tax Due Dependent on County or Municipality of Delivery

The determination as to which local sales and use tax is due depends on where delivery of the tangible personal property took place.[5]

For purposes of local sales and use taxes, delivery of tangible personal property is defined to occur when and where title or possession of tangible personal property transfers from the retailer to his customer. Following are guidelines to be used in determining when and where delivery occurs:

> FOB Destination or Similar Terms: Delivery is considered to take place at the purchaser's location or wherever delivered to the purchaser (at the purchaser's direction).
>
> FOB Shipping Point or Similar Terms: Delivery is considered to take place at the retailer's location. Retailers with multiple retail locations are to maintain their records so as to clearly show which sales are attributable to each location.

[5] Attorney General Opinion #91-47 (7/30/1991).

Shipping Terms Are Unspecified: Delivery is considered to take place at the purchaser's location or wherever delivered to the purchaser (at the purchaser's direction).

Retailer Uses Own Vehicle: If a retailer uses his own vehicle(s) for making deliveries, delivery is considered to take place at the purchaser's location or wherever delivered at the direction of the purchaser. This applies whether the vehicles are owned or leased by the retailer.

Situations Where Title Transfers, but Not Possession: Delivery is considered to take place at the retailer's location.

For example, a printer may produce business cards for a customer. The cards include all needed information except for the employee name. The printer keeps possession of, but not title to, the cards. At the direction of the customer, the printer will imprint the customer's cards with an employee's name and send the imprinted cards to the customer.

Retailers with multiple retail locations are to maintain their records so as to clearly show which sales are attributable to each location.

D. Retailer's Responsibility to Remit Local Sales and Use Taxes[6]

Retailers who have nexus with South Carolina have nexus for sales and use tax purposes with all local jurisdictions in South Carolina and must collect and remit to the Department local sales and use taxes administered and collected by the Department for each jurisdiction where their products are delivered. For more information on establishing nexus with South Carolina and its local jurisdictions, see SC Revenue Ruling #18-15 and Chapter 13 of this manual.

The following are examples of when a retailer with nexus is required to collect and remit a local jurisdiction's sales and use tax:

Out-of-State Retailer: A retailer located in North Carolina establishes economic nexus with South Carolina.[7] The retailer sells a chair to a South Carolina resident, and the chair is delivered to the customer in Lexington County. Since the retailer has nexus with South Carolina, the retailer is responsible for collecting and remitting Lexington County's local sales and use tax.[8]

[6] South Carolina Revenue Ruling #18-15.
[7] For information on economic nexus standards in South Carolina for out-of-state retailers, see SC Revenue Ruling #18-14 and Chapter 13 of this manual.
[8] If, in this example, the retailer did not establish nexus with South Carolina, but had voluntarily registered with the Department for a retail license, the retailer would still be responsible for collecting and remitting

In-State Retailer: A retailer located in Greenville County sells plantation shutters to a customer located in Charleston County. The retailer delivers the shutters to the customer in Charleston using its own truck. Since the retailer has physical nexus with South Carolina, the retailer is responsible for collecting and remitting Charleston County's local sales and use tax.[9]

The retailer will be liable for the tax if the retailer fails to remit the tax when it has nexus with South Carolina. If, upon being audited, it is found a retailer has nexus with the state so as to require remittance of a local jurisdiction's sales and use tax, but the retailer has failed to do so, the Department will assess the retailer for that jurisdiction's tax.

E. Purchasers - Reporting Requirements

Purchases of tangible personal property (not for resale) first stored, used or consumed in a local tax jurisdiction are subject to the local use tax. Such purchases are to be reported by county and/or municipality where the property is first stored, used, or consumed using the applicable form (*e.g.*, ST-389, UT-3) or through one of the Department's electronic filing and payment systems. Information as to which type of local sales and use tax must be reported by county and municipality and which type of local sales and use tax must be reported only by county or only by municipality can be found on Form ST-389 and the Department's electronic filing and payment systems.

Note: The purchaser is not liable for a jurisdiction's local use tax if he takes delivery in another jurisdiction and pays the other jurisdiction's local sales tax, provided the local sales tax he paid is equal to or greater than the local use tax that would otherwise be due. If the local sales tax he paid is less than the local use tax, then the purchaser owes the difference. Also, the purchaser is relieved of the liability for the local use tax if he has a receipt from a retailer showing the retailer has collected the full local use tax due.

F. Transactions Exempt from Local Sales and Use Taxes

While most local sales and use taxes provide the same exemptions for certain sales and purchases, there are some differences. Exhibit A of this chapter provides guidance concerning the various types of local sales and use taxes collected by the Department and the types of exemptions allowed under each tax.

Lexington County's local sales and use tax.

[9] If, in this example, the retailer did not establish nexus with South Carolina, but had voluntarily registered with the Department for a retail license, the retailer would still be responsible for collecting and remitting Charleston County's local sales and use tax.

Exhibit A

Local Tax Charts and Transactions Exempt from Local Sales and Use Taxes as of August 1, 2019

The most current version of this information, as of the date of this publication, is South Carolina Information Letter #19-16. This information letter was issued to reflect that Myrtle Beach's Tourism Development Tax, which expires on July 31, 2019, was re-imposed beginning August 1, 2019.

As of the date of this publication, the following local sales and use taxes will be re-imposed over the next few years:

- Orangeburg County's Capital Projects Tax, which expires on April 30, 2020, will be re-imposed beginning May 1, 2020.

- The Capital Projects Taxes in Bamberg County, Lee County, and Marion County, which are set to expire on April 30, 2021, will be re-imposed beginning May 1, 2021.

Additional information letters will be issued to reflect these changes. These information letters can be found on the Department's website (dor.sc.gov).

STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214-0575

SC INFORMATION LETTER #19-16

SUBJECT:	Local Sales and Use Tax Charts, Catawba Tribal Sales and Use Tax Chart and Exemption Information (Sales and Use Tax)
EFFECTIVE DATE:	August 1, 2019
SUPERSEDES:	SC Information Letter #19-9
AUTHORITY:	S. C. Code Ann. Section 12-4-320 (2014) S. C. Code Ann. Section 1-23-10(4) (2005) SC Revenue Procedure #09-3
SCOPE:	An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

The South Carolina Code of Laws allows the imposition of various types of local sales and use taxes. Citizens of a county, depending upon the needs within the county, may impose one or several local sales and use taxes. Municipal councils, or the citizens of a municipality, may impose a sales and use tax[1] for tourism development if the municipality is located in a county from which revenues from the state accommodations tax are at least $14 million in a fiscal year.

While most of these local sales and use taxes provide the same exemptions for certain sales and purchases, there are some differences. Attached are three charts that provide guidance concerning the various types of local sales and use taxes collected by the Department and the types of exemptions allowed under each tax. These charts only address the general local sales and use taxes collected by the Department on behalf of the counties, municipalities, school districts, and the Catawba Indian tribal government. They do not address the local taxes imposed on sales of accommodations[2] or on sales of prepared meals[3] that are collected directly by the counties or municipalities.

[1] This municipal sales and use tax is actually a fee (Local Option Tourism Development Fee) imposed under Article 9 of Chapter 10, Title 4. For purposes of simplicity, this fee is referred to as a sales and use tax in this information letter.
[2] Code Sections 6-1-500 through 6-1-570 provide for local accommodations taxes, and Code Sections 6-1-610 through 6-1-660 provide for beach preservation fees.
[3] Code Sections 6-1-700 through 6-1-770 provide for a local hospitality tax.

Note: This information letter is effective August 1, 2019. It is being issued to reflect that Myrtle Beach's Tourism Development Tax, which expires on July 31, 2019, will be re-imposed beginning August 1, 2019.

As of the date of this information letter, certain other county local sales and use taxes will be re-imposed over the next few years.[4] Additional information letters will be issued to reflect these changes.

CHART 1: COUNTY SALES AND USE TAXES

(See "Types of Exemptions" section below for a brief description of each exemption listed.)

	SALES AND PURCHASES EXEMPT FROM LOCAL SALES AND USE TAXES						
COUNTY	TYPE OF LOCAL SALES AND USE TAX AND EFFECTIVE DATE	12-36-2120 12-36-2130 STATE EXEMPTIONS	12-36-2110 EXEMPTION FOR MAXIMUM TAX ITEMS	12-36-1710 EXEMPTION FOR CASUAL EXCISE ITEMS	EXEMPTION FOR FOOD STAMP PURCHASES	EXEMPTION FOR CERTAIN FOOD SALES	"GRANDFATHER CLAUSE" EXEMPTION FOR CERTAIN PURCHASES BY CONTRACTORS
Abbeville	Local Option 5/1/92	Yes	Yes	Yes	Yes	No	Yes
Aiken	Capital Projects 5/1/19	Yes	Yes	No	Yes	Yes	Yes
	Ed. Capital Imp. 3/1/15	Yes	Yes	No	Yes	Yes	Yes
Allendale	Local Option 5/1/92	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/17	Yes	Yes	No	Yes	Yes	Yes
Anderson	Ed. Capital Imp. 3/1/15	Yes	Yes	No	Yes	Yes	Yes
Bamberg	Local Option 5/1/92	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/13	Yes	Yes	No	Yes	Yes	Yes
Barnwell	Local Option 5/1/99	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/17	Yes	Yes	No	Yes	Yes	Yes
Beaufort	Transportation 5/1/19	Yes	Yes	No	Yes	No	Yes

[4] Orangeburg County's Capital Projects Tax, which expires on April 30, 2020, will be re-imposed beginning May 1, 2020. In addition, the Capital Projects Taxes in Bamberg County, Lee County, and Marion County, which are set to expire on April 30, 2021, will be re-imposed beginning May 1, 2021.

	SALES AND PURCHASES EXEMPT FROM LOCAL SALES AND USE TAXES						
COUNTY	TYPE OF LOCAL SALES AND USE TAX AND EFFECTIVE DATE	12-36-2120 12-36-2130 STATE EXEMPTIONS	12-36-2110 EXEMPTION FOR MAXIMUM TAX ITEMS	12-36-1710 EXEMPTION FOR CASUAL EXCISE ITEMS	EXEMPTION FOR FOOD STAMP PURCHASES	EXEMPTION FOR CERTAIN FOOD SALES	"GRANDFATHER CLAUSE" EXEMPTION FOR CERTAIN PURCHASES BY CONTRACTORS
Berkeley	Local Option 5/1/97	Yes	Yes	Yes	Yes	No	Yes
	Transportation 5/1/16	Yes	Yes	No	Yes	No	Yes
Calhoun	Local Option 5/1/05	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/19	Yes	Yes	No	Yes	Yes	Yes
Charleston	Local Option 7/1/91	Yes	Yes	Yes	Yes	No	Yes
	Transportation 5/1/05	Yes	Yes	No	Yes	No	Yes
	Ed. Capital Imp. 1/1/17	Yes	Yes	No	Yes	Yes	Yes
	Transportation 5/1/17	Yes	Yes	No	Yes	No	Yes
Cherokee	Local Option 5/1/09	Yes	Yes	Yes	Yes	No	Yes
	Ed. Capital Imp. 3/1/15	Yes	Yes	No	Yes	Yes	Yes
Chester	Local Option 5/1/94	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 10/1/15	Yes	Yes	No	Yes	Yes	Yes
Chesterfield	Local Option 5/1/97	Yes	Yes	Yes	Yes	No	Yes
	School District 9/1/00	Yes	Yes	No	Yes	Yes	Yes
Clarendon	Local Option 5/1/97	Yes	Yes	Yes	Yes	No	Yes
	School District 6/1/04	Yes	Yes	No	Yes	No - effective 7/1/05	Yes
Colleton	Local Option 7/1/91	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/15	Yes	Yes	No	Yes	Yes	Yes
Darlington	Local Option 5/1/97	Yes	Yes	Yes	Yes	No	Yes
	Ed. Capital Imp. 3/1/17	Yes	Yes	No	Yes	Yes	Yes

	SALES AND PURCHASES EXEMPT FROM LOCAL SALES AND USE TAXES						
COUNTY	TYPE OF LOCAL SALES AND USE TAX AND EFFECTIVE DATE	12-36-2120 12-36-2130 STATE EXEMPTIONS	12-36-2110 EXEMPTION FOR MAXIMUM TAX ITEMS	12-36-1710 EXEMPTION FOR CASUAL EXCISE ITEMS	EXEMPTION FOR FOOD STAMP PURCHASES	EXEMPTION FOR CERTAIN FOOD SALES	"GRANDFATHER CLAUSE" EXEMPTION FOR CERTAIN PURCHASES BY CONTRACTORS
Dillon	Local Option 5/1/96	Yes	Yes	Yes	Yes	No	Yes
	School District 10/1/08	Yes	Yes	No	Yes	Yes	Yes
Dorchester	Transportation 5/1/05	Yes	Yes	No	Yes	No	Yes
Edgefield	Local Option 5/1/92	Yes	Yes	Yes	Yes	No	Yes
Fairfield	Local Option 5/1/06	Yes	Yes	Yes	Yes	No	Yes
Florence	Local Option 5/1/94	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/14	Yes	Yes	No	Yes	Yes	Yes
Georgetown	No Local Sales and Use Tax is Imposed in this County						
Greenville	No Local Sales and Use Tax is Imposed in this County						
Greenwood	Capital Projects 5/1/17	Yes	Yes	No	Yes	Yes	Yes
Hampton	Local Option 7/1/91	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/13	Yes	Yes	No	Yes	Yes	Yes
Horry	Ed. Capital Imp. 3/1/09	Yes	Yes	No	Yes	Yes	Yes
	Capital Projects 5/1/17	Yes	Yes	No	Yes	Yes	Yes
Jasper	Local Option 7/1/91	Yes	Yes	Yes	Yes	No	Yes
	School District 12/1/02	Yes	Yes	No	Yes	Yes	Yes
	Transportation 5/1/17	Yes	Yes	No	Yes	No	Yes
Kershaw	Local Option 5/1/97	Yes	Yes	Yes	Yes	No	Yes
	Ed. Capital Imp. 3/1/17	Yes	Yes	No	Yes	Yes	Yes
Lancaster	Local Option 5/1/92	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/16	Yes	Yes	No	Yes	Yes	Yes

	SALES AND PURCHASES EXEMPT FROM LOCAL SALES AND USE TAXES						
COUNTY	TYPE OF LOCAL SALES AND USE TAX AND EFFECTIVE DATE	12-36-2120 12-36-2130 STATE EXEMPTIONS	12-36-2110 EXEMPTION FOR MAXIMUM TAX ITEMS	12-36-1710 EXEMPTION FOR CASUAL EXCISE ITEMS	EXEMPTION FOR FOOD STAMP PURCHASES	EXEMPTION FOR CERTAIN FOOD SALES	"GRANDFATHER CLAUSE" EXEMPTION FOR CERTAIN PURCHASES BY CONTRACTORS
Laurens	Local Option 5/1/99	Yes	Yes	Yes	Yes	No	Yes
Lee	Local Option 5/1/96	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/13	Yes	Yes	No	Yes	Yes	Yes
Lexington	School District 3/1/19	Yes	Yes	No	Yes	Yes	Yes
Marion	Local Option 7/1/91	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/13	Yes	Yes	No	Yes	Yes	Yes
Marlboro	Local Option 5/1/92	Yes	Yes	Yes	Yes	No	Yes
	School District 2/1/13	Yes	Yes	No	Yes	Yes	Yes
McCormick	Local Option 7/1/91	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/17	Yes	Yes	No	Yes	Yes	Yes
Newberry	Capital Projects 5/1/17	Yes	Yes	No	Yes	Yes	Yes
Oconee	No Local Sales and Use Tax is Imposed in this County						
Orangeburg	Capital Projects 4/1/13	Yes	Yes	No	Yes	Yes	Yes
Pickens	Local Option 5/1/95	Yes	Yes	Yes	Yes	No	Yes
Richland	Local Option 5/1/05	Yes	Yes	Yes	Yes	No	Yes
	Transportation 5/1/13	Yes	Yes	No	Yes	No	Yes
Saluda	Local Option 5/1/92	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/19	Yes	Yes	No	Yes	Yes	Yes
Spartanburg	Capital Projects 5/1/18	Yes	Yes	No	Yes	Yes	Yes

	SALES AND PURCHASES EXEMPT FROM LOCAL SALES AND USE TAXES						
COUNTY	TYPE OF LOCAL SALES AND USE TAX AND EFFECTIVE DATE	12-36-2120 12-36-2130 STATE EXEMPTIONS	12-36-2110 EXEMPTION FOR MAXIMUM TAX ITEMS	12-36-1710 EXEMPTION FOR CASUAL EXCISE ITEMS	EXEMPTION FOR FOOD STAMP PURCHASES	EXEMPTION FOR CERTAIN FOOD SALES	"GRANDFATHER CLAUSE" EXEMPTION FOR CERTAIN PURCHASES BY CONTRACTORS
Sumter	Local Option 5/1/96	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/16	Yes	Yes	No	Yes	Yes	Yes
Union	Local Option 5/1/17	Yes	Yes	Yes	Yes	No	Yes
Williamsburg	Local Option 5/1/97	Yes	Yes	Yes	Yes	No	Yes
	Capital Projects 5/1/17	Yes	Yes	No	Yes	Yes	Yes
York	Capital Projects 5/1/18	Yes	Yes	No	Yes	Yes	Yes

CHART 2: CATAWBA INDIAN RESERVATION TRIBAL TAX

(See "Types of Exemptions" section below for a brief description of each exemption listed.)

	SALES AND PURCHASES EXEMPT FROM LOCAL SALES AND USE TAXES						
COUNTY	TYPE OF LOCAL SALES AND USE TAX AND EFFECTIVE DATE	12-36-2120 12-36-2130 STATE EXEMPTIONS	12-36-2110 EXEMPTION FOR MAXIMUM TAX ITEMS	12-36-1710 EXEMPTION FOR CASUAL EXCISE ITEMS	EXEMPTION FOR FOOD STAMP PURCHASES	EXEMPTION FOR CERTAIN FOOD SALES	"GRANDFATHER CLAUSE" EXEMPTION FOR CERTAIN PURCHASES BY CONTRACTORS
Catawba Indian Reservation	Tribal Tax (See Notes #1 and #2)	Yes	See Note #2	See Note #2	Yes	See Note #2	See Note #2

CHART 3: MUNICIPAL SALES AND USE TAXES – LOCAL TOURISM DEVELOPMENT SALES AND USE TAX

(See "Types of Exemptions" section below for a brief description of each exemption listed.)

	SALES AND PURCHASES EXEMPT FROM LOCAL SALES AND USE TAXES						
MUNICIPALITY	TYPE OF LOCAL SALES AND USE TAX AND EFFECTIVE DATE	12-36-2120 12-36-2130 STATE EXEMPTIONS	12-36-2110 EXEMPTION FOR MAXIMUM TAX ITEMS	12-36-1710 EXEMPTION FOR CASUAL EXCISE ITEMS	EXEMPTION FOR FOOD STAMP PURCHASES	EXEMPTION FOR CERTAIN FOOD SALES	"GRANDFATHER CLAUSE" EXEMPTION FOR CERTAIN PURCHASES BY CONTRACTORS
Myrtle Beach	Tourism Development 8/1/19	Yes	Yes	No	Yes	Yes	Yes

TYPES OF LOCAL SALES AND USE TAXES:

Local Option: The local option sales and use tax is authorized under Code Section 4-10-10 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed to reduce the property tax burden on persons in the counties that impose this type of local tax and is collected by the Department of Revenue on behalf of these counties.

Capital Projects: The local capital projects sales and use tax is authorized under Code Section 4-10-300 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed specifically to defray the debt service on bonds issued for various capital projects in the counties that impose this type of local tax and is collected by the Department of Revenue on behalf of these counties.

Transportation: The local transportation projects sales and use tax is authorized under Code Section 4-37-30 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed specifically to defray the debt service on bonds issued for various transportation projects in the counties that impose this type of local tax and is collected by the Department of Revenue on behalf of these counties.

Personal Property Tax Relief: The personal property tax relief sales and use tax is authorized under Code Section 4-10-510 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed in lieu of the personal property tax imposed on private passenger motor vehicles, motorcycles, general aviation aircraft, boats, and boat motors. The tax may not exceed the lesser of 2% or the amount necessary to replace the property tax on vehicles, motorcycles, general aviation aircraft, boats, and boat motors in the most recently completed fiscal year. **As of the date of this information letter, this tax is not being imposed.**

Local Property Tax Credits: The local option sales and use tax for local property tax credits is authorized under Code Section 4-10-720 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax. This tax is imposed to provide a credit against property tax imposed by a political subdivision for all classes of property subject to the property tax and is collected by the Department of Revenue on behalf of these counties. **As of the date of this information letter, this tax is not being imposed.**

Education Capital Improvement Sales and Use Tax: The school district or school districts within a county may impose a 1% sales and use tax within the county for specific education capital improvements for the school district. The tax is authorized under Code Section 4-10-410 et seq. and must be approved by a referendum open to all qualified electors residing in the county. Pursuant to a memorandum of agreement, a portion of the revenue may be shared with the area commission (governing body of a technical college) or higher education board of trustees (governing body of a public institution of higher learning) or both, for specific education capital improvements on the campus of the recipient located in the county listed in the referendum.

The General Assembly has established several criteria that make a county or school district eligible to impose this tax. The county or school district must meet only one of these criteria, established in Code Section 4-10-470, in order for the tax to be imposed within the county. Depending on the criteria met, this tax may be imposed for up to 15 years.

School District Taxes: The General Assembly has authorized certain school districts to impose a sales and use tax within the county. These taxes are generally imposed to pay debt service on general obligation bonds and/or the cost of capital improvements. These taxes are imposed countywide, whether imposed by the county or one or more school districts.

As of the date of this information letter, these school district taxes are being imposed at a rate of 1%:

County	Act Authorizing Tax
Chesterfield	Act No. 441 of 2000
Clarendon	Act No. 355 of 2004 and Act No. 195 of 2005
Dillon	Act No. 137 of 2007
Jasper	Act No. 146 of 2001
Lexington	Act No. 378 of 2004, Act No. 88 of 2011, and Act No. 278 of 2018
Marlboro	Act No. 204 of 2005

Catawba Indian Tribal Tax: The Catawba Indian Reservation is located in Lancaster County, where the general, combined sales and use tax rate on sales of tangible personal property is 8%, and York County, where the general, combined sales and use tax rate is 7%. Code Section 27-16-130(H) contains the specific sales and use tax provisions.

The tribal sales tax is administered and collected by the Department. The tribal use tax is administered and collected by the Catawba Indian Tribe. For additional information on the Catawba Indian Tribal Tax, including information on the specific tax rates for sales of accommodations and unprepared food, see SC Revenue Ruling #98-18 and Notes #1 and #2 at the end of this information letter.

Tourism Development Tax: The local tourism development sales and use tax is authorized under Code Section 4-10-910 et seq. This tax is a general sales and use tax on all sales at retail (with a few exceptions) taxable under the state sales and use tax and may only be imposed by a municipality located in a county where revenue from the state accommodations tax is at least $14 million in a fiscal year. This tax may be imposed by an ordinance adopted by a two-thirds majority of the municipal council or by approval by a majority of qualified electors voting in a referendum authorized by a majority of the municipal council. The tax is imposed specifically for tourism advertisement and promotion directed at nonresidents of South Carolina; however, in the third and subsequent years of this tax, a portion of the tax may be used for certain property tax rollbacks. The tax is collected by the Department of Revenue on behalf of these municipalities.

REMITTANCE OF LOCAL SALES AND USE TAXES BY RETAILERS:

For information on when a retailer is required to remit a local sales and use tax, see SC Revenue Ruling #18-15.

TYPES OF EXEMPTIONS:

State Exemptions - 12-36-2120 and 12-36-2130: Except for sales of unprepared food exempt from the 6% state sales and use tax under Code Section 12-36-2120(75), sales of tangible personal property exempt from the State sales and use tax are exempt from the local sales and use tax if marked "Yes" in this column of the above charts.

Note: Sales of unprepared food are only exempt from a local sales and use tax if the local sales and use tax law specifically exempts such sales. For information on the exemption for sales of unprepared food from local sales and use taxes, see the discussion below entitled "Exemption for Certain Food Sales."

Exemption for Maximum Tax Items - Code Section 12-36-2110: Sales of items subject to a maximum tax under the State sales and use tax law [i.e., aircraft, motor vehicles, motorcycles, boats, trailers and semitrailers pulled by truck tractors,[5] horse trailers, recreational vehicles (including tent campers, travel trailers, park models, park trailers, motor homes, and fifth wheels), self-propelled light construction equipment, unassembled aircraft, manufactured homes, musical instruments and office equipment purchased by certain religious organizations and fire safety education trailers] are exempt from the local sales and use tax if marked "Yes" in this column of the above charts.

Note: Code Section 12-36-2120(83) exempts from state and local sales and use tax the sale or purchase of each vehicle or other item that is subject to an infrastructure maintenance fee under Code Section 56-3-627. The infrastructure maintenance fee is due when the vehicle or other item is first registered with the South Carolina Department of Motor Vehicles pursuant to Chapter 3 of Title 56. See SC Information Letter #17-10 and SC Revenue Ruling #18-1.

Exemption for Casual Excise Tax Items - Code Section 12-36-1710: Sales of items subject to the casual excise tax under Code Section 12-36-1710 through Code Section 12-36-1740 (i.e., boats, motors,[6] and airplanes required to be registered, titled, or licensed) are exempt from the local sales and use tax if marked "Yes" in this column of the above charts.

Exemption for Food Stamp Purchases: Sales of food purchased with food stamps are exempt from the State sales and use tax; therefore, such sales are exempt from the local sales and use tax if marked "Yes" in this column of the above charts.

Exemption for Certain Food Sales: Sales of certain foods are exempt from the local sales and use tax if marked "Yes" in this column of the above charts. Sales of foods which are eligible to be purchased with United States Department of Agriculture food stamps come under this exemption. This exemption applies to everyone, not just persons using food stamps.

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[5] Pole trailers and trailers that can be pulled by vehicles other than truck tractors are not maximum tax items under Code Section 12-36-2110 and are subject to the local sales and use tax.

[6] As of the date of this information letter, all casual excise tax items listed under Code Section 12-36-1710, except for boat motors not attached to a boat at the time of sale, are also maximum tax items under Code Section 12-36-2110. Therefore, boat motors not attached to a boat at the time of sale are exempt from local sales and use taxes only if there is a "Yes" in the "Casual Excise Items" column of the above charts.

Foods which may be purchased with food stamps and are exempt from these local sales and use taxes include:

* Any food intended to be eaten at home by people, including snacks, beverages and seasonings
* Seeds and plants intended to grow food (not birdseed or seeds to grow flowers)
* Cold items, which may include salads or sandwiches, intended to be eaten at home by people

Items which cannot be purchased with food stamps and are, therefore, subject to these local sales and use taxes are:

* Alcoholic beverages, such as beer, wine, or liquor
* Hot beverages ready to drink, such as coffee
* Tobacco
* Hot foods ready to eat
* Foods designed to be heated in the store
* Hot and cold food to be eaten at a lunch counter, in a dining area or anywhere else in the store or in a nearby area such as a mall food court
* Vitamins and medicines (Note: Sales of certain medicines are exempt from the State sales and use tax, and therefore, are also exempt from all local sales and use taxes.)
* Pet food
* Any non-food items such as tissue, soap or other household goods

For more detailed information on this food exemption, see SC Regulation 117-337.

"Grandfather Clause" Exemption for Certain Purchases by Construction Contractors: All the local sales and use taxes discussed in this information letter exempt purchases of building materials for use under a construction contract if both of the following conditions are met:

A. 1. the construction contract is executed before the imposition date; or

2. a written bid is submitted before the imposition date culminating in a construction contract entered into before or after the imposition date; and

B. a verified copy of the contract is mailed within 6 months of the imposition date to:

SC Department of Revenue
P.O. Box 125
Columbia, SC 29214-0400

A "verified copy" is a copy accompanied by a statement, signed under penalties of perjury, that it is true and correct. If the contractor is a corporation, the statement is to be signed by an officer of the corporation or an employee authorized to sign. If the contractor is a partnership, the statement is to be signed by a general partner. If the contractor is a sole proprietorship, the owner is to sign.

Special Exemption Certificate. In order for a contractor to purchase building materials for a particular contract free of the local tax, the contractor must complete Form ST-10-C ("Application for Exemption from Local Tax for Construction Contractors") and submit it to the Department of Revenue. If the Department determines the contract in question meets the above requirements, the contractor will be issued a special exemption certificate (Form ST-585). The certificate may only be used to purchase building materials for the contract for which it is issued and may not be used to purchase anything other than building material. If the contractor uses this certificate to make purchases free of the local tax, upon which the tax should have been paid, then the contractor will be held liable for the tax. **Also, the certificate does not allow the contractor to make purchases of building materials free of the State tax.**

An exemption certificate (Form ST-585) issued by the Department of Revenue to a prime contractor under this exemption may not be used by a subcontractor nor may a prime contractor use a subcontractor's exemption certificate. Each contractor must obtain his own certificate for each construction contract.

CATAWBA INDIAN TRIBAL TAX – NOTES #1 and #2:

Note #1: Whether the State sales and use tax or the Catawba Tribal sales and use tax for sales (deliveries) made on the Catawba Indian Reservation applies is determined by the Catawba Indian Claims Settlement Act (Chapter 16, Title 27, South Carolina Code of Laws). The provisions specific to sales and use tax are in Code Section 27-16-130(H).

The Catawba Tribal sales and use tax expires on November 28, 2092.

The following chart provides a summary of these provisions:

Delivery on the Reservation From:	Type Tax Applicable	Administered and Collected By:
Location On the Reservation	Tribal Sales Tax (Equal to Combined State and Local Rate*)	DOR
Location Off the Reservation But in SC – Sales $100 or less	State Sales Tax (Local Taxes Do Not Apply.)	DOR
Location Off the Reservation But in SC – Sales Over $100	Tribal Sales Tax (Equal to Combined State and Local Rate*)	DOR
Location Off the Reservation and Outside the State – Seller Registered with DOR	State Use Tax (Local Taxes Do Not Apply.)	DOR
Location Off the Reservation and Outside the State – Seller Not Registered with DOR	Tribal Use Tax (Equal to Combined State and Local Rate*)	Catawba Indian Tribe

***** Lancaster County imposes a 1% Local Option Tax and a 1% Capital Projects Tax. York County imposes a 1% Capital Projects Tax. These local taxes are in addition to the State sales and use tax.

As of the date of this information letter, the tribal sales tax and the tribal use tax are imposed at the following rates:

For sales (deliveries) made on the Reservation within Lancaster County:

8% for general sales of tangible personal property
9% for sales of accommodations
1% for sales of unprepared foods[7]

For sales (deliveries) made on the Reservation within York County:

7% for general sales of tangible personal property
8% for sales of accommodations
0% for sales of unprepared foods

Please note that the rate for the tribal sales tax and the tribal use tax may increase or decrease dependent upon whether the total state and local sales and use tax rates change in Lancaster County or York County in the future.

For additional information, see SC Revenue Ruling #98-18.

Note #2: Maximum Tax Items: For sales (deliveries) made on the Reservation of tangible personal property subject to the maximum tax provisions, the tribal sales and use tax rate is 5% in each county (since the state sales and use tax on maximum tax items is 5% and maximum tax items are exempt from all local sales and use taxes), but the tax may not exceed the maximum tax set forth in Code Section 12-36-2110.

Casual Excise Tax Items: Counties imposing a local sales and use tax that does not exempt casual excise tax items will impose the local tax on sales and purchases of boat motors not attached to a boat at the time of sale.

Therefore, for sales (deliveries) of boat motors made on the Reservation within Lancaster and York Counties, the tribal sales and use tax rate is 7% (since only the local option tax in Lancaster County exempts casual excise tax items).

"Grandfather Clause" Exemption for Certain Purchases by Construction Contractors: As a result of any increase in the tribal sales and use tax rate due to the imposition of a new local sales and use tax in either Lancaster County or York County, there is an exemption from the portion of the tribal sales and use tax represented by the new local sales and use tax for certain purchases by construction contractors. For more information about this partial exemption, see the discussion earlier in this information letter concerning *"Grandfather Clause" Exemption for Certain Purchases by Construction Contractors* and the *Special Exemption Certificate*.

These charts only address the general local option taxes collected by the Department of Revenue on behalf of the counties, municipalities, school districts, and the Catawba Indian tribal government. They do not address the local taxes on sales of accommodations or on sales of prepared meals that are collected directly by the counties or municipalities.

[7] The Capital Projects Tax in Lancaster County exempts sales of unprepared food; however, the 1% Local Option Tax does not exempt sales of unprepared food.