



Moving to S.C.

A TAX GUIDE FOR NEW RESIDENTS

SOUTH CAROLINA DEPARTMENT OF REVENUE

If you are considering a move to South Carolina or have been a resident for only a short period of time, you may have questions about South Carolina's tax structure. This publication explains the major state and local taxes of which you should be aware including income, property, sales and use, and motor fuel, among others.

For more specific information, call or visit one of the six South Carolina Department of Revenue Taxpayer Service Center locations listed in this publication.

INDIVIDUAL INCOME TAX

South Carolina has a simplified income tax structure which follows the federal income tax laws. South Carolina accepts the adjustments, exemptions and deductions allowed on your federal tax return with few modifications. Your federal taxable income is the starting point in determining your state income tax liability.

TAX RATES

Individual income tax rates range from 3% to a top rate of 7% on taxable income. Tax brackets are adjusted annually for inflation.

DEDUCTIONS

- You do not pay taxes in this state on property sold in another state.
- A deduction of 44% is allowed on net long-term capital gains; the South Carolina holding period is the same as the federal.
- Beginning with the first year you receive qualified retirement income and until you reach age 65, you deduct a portion of your qualified retirement plan. See the SC1040 Instructions for more information.
- At age 65, all residents are eligible for a deduction from any source of income. See the SC1040 Instructions for more information.
- Reserve pay income received from the National Guard or armed forces for annual training and weekend drills is exempt from tax.
- Disability income from a total and permanent disability is deductible.
- South Carolina does not tax Social Security benefits or railroad retirement.
- Interest from federal obligations is deductible.
- A 100% deduction of the federal personal exemption is allowed for each child under the age of six.
- A deduction is allowed for a special needs adopted child.

CREDITS

- A refundable tuition credit for up to 25% for tuition paid to South Carolina colleges may be available for those who qualify. The maximum credit is \$850/year for four-year schools and \$350/year for two-year schools.

- A two-wage earner credit allows married couples to take credit of up to \$210 if both spouses work.
- A maximum credit of \$300 is available for payments of in-home nursing care.
- A credit is allowed for taxes paid to another state on income taxable in both states.
- A child/dependent care credit allows an individual to claim 7% of federal allowable expenses.
- See the SC1040TC for more information on available tax credits.

ADDITIONS TO INCOME

Certain items of income must be added back to your federal taxable income.

- If any out of state losses were subtracted on your federal income tax, they must be added back to your taxable income on your state return.
- The deduction on your federal return for state income tax paid may need to be added back to your taxable income on your state return.

PART-YEAR RESIDENT

If you moved to South Carolina during the year, you are considered a part-year resident. As a part-year resident, you may file as a full-year resident or a non-resident.

If you file as a part-year resident, you will claim all of your income as though you were a resident for the entire year and take credit for any taxes paid in another state. As a non-resident, you will report only income earned in South Carolina. Your deductions and exemptions will be prorated by the same percentage as your South Carolina income compares to your total income. You may choose the method which benefits you best.

FILING YOUR RETURN

Generally speaking, you are required to file a South Carolina income tax return if you are required to file a federal return, or if you are a non-resident with South Carolina gross income of more than the federal personal exemption amounts.

You can file your South Carolina tax return in one of several ways:

- Electronic filing using a professional tax preparer or available commercial software
- SCDOR website using available vendors
- Paper return

Individual income tax returns are due April 15 of each year. However, if you file your South Carolina return electronically, you have until May 1 of each year to file and pay without incurring a penalty. This deadline does not apply to federal income tax returns or to taxpayers filing paper returns.

ESTIMATED TAX

Estimated tax is the method used to pay tax on income that is not subject to withholding. Income from self-employment, interest, rent, dividends, alimony, capital gains and prizes would be examples. You may also have to pay estimated tax if there was not enough tax withheld from your salary or other income. Estimated tax is paid in quarterly installments on April 15, June 15, September 15 and January 15.

ESTATE TAX

South Carolina does not impose an estate tax or a gift tax.

PROPERTY TAXES

Counties, cities and school districts are authorized to impose ad valorem taxes on real and personal property. Local governments assess and collect most property taxes which support public schools and services.

RESIDENTIAL PROPERTY

The market value of a legal residence is assessed at 4% of fair market value. This market value is determined as a result of a periodic countywide reassessment. The millage rate of the local government is then applied to the assessed value resulting in the tax liability. The millage rate is set by local governments and varies throughout the state.

The fair market value of owner-occupied residential property receiving the 4% assessment rate is exempt from all property taxes imposed for school operating purposes.

Millage rates vary from county to county, and you would need to check with officials in the county where you wish to reside in order to estimate your property tax liability.

If you have resided in South Carolina for a full calendar year and you are 65 or older, legally blind or permanently and totally disabled, you are eligible for a homestead exemption of \$50,000 from the value of your home.

The assessment ratio on a second home owned by you is 6%. Property tax relief does not apply to a second home. The exemption for school operating purposes does not apply to a second home.

To find out more about tax on real estate, contact the assessor in the county where you live or plan to reside.

VEHICLE PROPERTY

Personal property taxes are collected annually on cars, motorcycles, recreational vehicles, boats and airplanes, based on values listed in SCDOR publications supplied to counties.

The value of your vehicle is multiplied by the assessment ratio (6% for personal motor vehicles) to determine the assessed value. The applicable millage rate is multiplied by the assessed value to determine the amount of personal property tax that you owe.

For more information about personal property tax, contact the auditor's office in the county where you plan to reside.

SALES AND USE TAX

South Carolina's general state sales and use tax rate is 6%. In certain counties, local sales and use taxes are imposed in addition to the 6% state rate. The general local sales and use tax collected on behalf of local jurisdictions is for school projects, road improvements, capital projects and other purposes.

Prescription medicines, dental prosthetics, electricity, natural gas and fuel oil used for residential purposes are exempt from the state and local sales and use tax. South Carolina residents age 85 or older are exempt from 1% of the state sales tax rate. A maximum sales tax of \$300 is imposed on the purchase of motor vehicles, motorcycles, boats, recreational vehicles and airplanes.

A use tax is imposed on purchases made out-of-state when an equal amount of sales or use tax was not paid in the other state at the time of purchase. If you purchase goods from the internet, catalogs, television shopping networks and/or other out-of-state businesses and did not pay sales tax, you must report and pay the 6% state rate and any applicable local use tax rate due in South Carolina. The use tax can be conveniently reported on South Carolina's individual income tax return. You may also download the Use Tax Form, UT-3 from the SCDOR's website, dor.sc.gov.

The tax rate information on the attached chart, ST-500 (located on page 7), lists the current tax rate at the time of publication. This chart is revised periodically to reflect changes in the sales tax rate. Counties can impose a new tax rate at any time, which would impact the tax rates shown. A complete updated map of all counties with local taxes can be found at dor.sc.gov/tax/sales.

MOTOR FUEL FEE

South Carolina imposes a user fee included at the pump (more commonly referred to as a gas tax) on each gallon of gasoline, diesel fuel, or other fuel used for the propulsion of motor vehicles. In addition to the user fee, there is imposed a one-fourth cent (.0025) inspection fee and a one-half cent (.0050) environmental impact fee per gallon of motor fuel. The Motor Fuel User Fee will increase by \$0.02 per gallon on July 1 every year until 2022.

Effective Dates of Motor Fuel User Fee Increases	Motor Fuel User Fee Per Gallon*
July 1, 2017 – June 30, 2018	\$0.18
July 1, 2018 – June 30, 2019	\$0.20
July 1, 2019 – June 30, 2020	\$0.22
July 1, 2020 – June 30, 2021	\$0.24
July 1, 2021 – June 30, 2022	\$0.26
July 1, 2022	\$0.28

For information regarding vehicle registration, driver’s licenses and more, please contact the South Carolina Department of Motor Vehicles or visit scdmvonline.com.

NEED MORE INFORMATION?

Visit us at dor.sc.gov for information on all major South Carolina taxes, advisory opinions, tax forms and other helpful tax tips.

South Carolina Department of Revenue: dor.sc.gov
 South Carolina State Government: sc.gov

WHO TO CALL

SCDOR Main Line	1-844-898-8542 (toll free)
<ul style="list-style-type: none"> • Individual Income Tax • Sales and Use Tax • Withholding 	
Automated Refund Information	803-898-5300
Forms – Voicemail	1-800-768-3676
Motor Fuel	803-896-1990
State Directory Assistance	803-896-0000
Hearing Impaired TDD/TTY	1-800-735-8583 or #711

COMMENTS AND SUGGESTIONS

Let us hear from you! Send your comments and suggestions to:

South Carolina Department of Revenue
Communication
PO Box 125
Columbia, SC 29214

TAXPAYER SERVICE CENTERS

Charleston	2 South Park Circle Suite 100 Charleston, SC 29407
Columbia Main Office	300A Outlet Pointe Boulevard P.O. Box 125 Columbia, SC 29210
Florence	1452 West Evans Street Florence, SC 29501
Greenville	545 North Pleasantburg Drive Suite 300 Greenville, SC 29607
Myrtle Beach	1350 Farrow Parkway, Ste. 200 Myrtle Beach, SC 29577
Rock Hill	454 South Anderson Road Business and Technology Center Suite 202 Rock Hill, SC 2973

Satellite Office locations can be found at dor.sc.gov/contact/in-person.