

ATTENTION RETAILERS

As part of the Educational Improvement Act of 1984, the Legislature provided a one-percent exclusion from state sales tax for individuals age 85 and older. Retailers are required to post signs providing notice of the one-percent exclusion. Individuals 85 years old and older must request the exclusion and provide proof of age at the cash register. See SC Revenue Ruling #08-5 located on our website at www.sctax.org for additional information. The law is provided below.

Effective Date: August 15, 2001

Section 12-36-2646

- (A) Retailers shall post a sign at each entrance or each cash register which advises individuals eighty-five years of age or older of the one percent exclusion from tax available under Sections 12-36-2620, 12-36-2630 and 12-36-2640.
- (B) A retailer who fails to post the required signs is subject to a penalty of up to \$100 for each month or portion of the month the sign or signs are not posted. Continued failure to post the signs after a written warning from the Department of Revenue may result in revocation of the retailer's retail license in accordance with Section 12-54-90. Failure to post the signs does not give rise to a cause of action by an individual eighty-five years of age or older who failed to request the exclusion and provide proof of age at the time of sale.

Effective Date: July 1, 2001

Section 12-36-2620

The taxes imposed by Sections 12-36-910, 12-36-920(B), 12-36-1310, and 12-36-1320 are composed of two taxes as follows:

- (1) a four percent tax, which must be credited as provided in Section 59-21-1010(A), and
- (2) a one percent tax, which must be credited as provided in Section 59-21-1010(B). The one percent tax specified in this item (2) does not apply to sales to an individual eighty-five years of age or older purchasing tangible personal property for his own personal use, **if at the time of sale, the individual requests the one percent exclusion from tax and provides the retailer with proof of age.**

Section 12-36-2630

The tax imposed by Sections 12-36-920(A) is composed of three taxes as follows:

- (1) a four percent tax which must be credited as provided in Section 59-21-1010(A); and
- (2) a one percent tax, which must be credited as provided in Section 59-21-1010(B). The one percent tax specified in this item (2) does not apply to sales to an individual eighty-five years of age or older purchasing tangible personal property for his own personal use, **if at the time of sale, the individual requests the one percent exclusion from tax and provides the retailer with proof of age;** and
- (3) a two percent local accommodations tax, which must be credited to the political subdivisions of the State in accordance with Chapter 4 or Title 6. The proceeds of this tax, less the departments actual incremental increase in the cost of administration, must be remitted quarterly to the municipality or the county in which it is collected. The two percent tax provided by this item may not be increased except upon approval of two-thirds of the membership of each House of the General Assembly. However, the tax may be decreased or repealed by a simple majority of the membership of each House of the General Assembly.

The tax imposed by Section 12-36-920 must be billed and paid in a single item listed as tax, without itemizing the taxes referred to in this section.

Section 12-36-2640

The tax imposed by Section 12-36-1710 is composed of two taxes as follows:

- (1) a four percent tax which must be credited to the general fund of the State; and
- (2) a one percent tax which must be credited as provided in Section 59-21-1010(B). The one percent tax specified in this item does not apply to the issuance of certificates of title or other proof of ownership to an individual eighty-five years of age or older titling or registering a motor vehicle, motorcycle, boat, motor, or airplane for his own personal use, **if at the time of sale, the individual requests the one percent exclusion from tax and provides the retailer with proof of age.**