



IMPORTANT NOTICE

File Number:

Notice Date:

TO: All Businesses
FROM: South Carolina Department of Revenue
RE: Local Tax Rate Changes for Certain Counties in 2015

Based on the results of November 2014 referendums, new local taxes will take effect on two (2) important dates in 2015 as follows:

- Effective **March 1, 2015, Aiken, Anderson and Cherokee Counties** will impose a new **1% Education Capital Improvement Tax**. (Cherokee County's 1% School District Tax will end after February 28, 2015 and its 1% Education Capital Improvement Tax will begin on March 1, 2015.)
 - Aiken** – Prior to March 1, 2015, sales and purchases in Aiken County are subject to the general state sales and use tax rate of 6% (7% for accommodations) and the 1% Capital Projects Tax. However, sales of unprepared food in Aiken County are exempt from the 6% state sales and use tax rate and the 1% Capital Projects Tax. **Effective March 1, 2015**, sales of unprepared food will be exempt from Aiken's new 1% Education Capital Improvement Tax. This exemption applies to everyone, not just people using food stamps. All other sales or purchases in Aiken County will be subject to Aiken's new 1% Education Capital Improvement Tax in addition to the existing 1% Capital Projects Tax and the 6% state sales and use tax rate. The Aiken County Education Capital Improvement Tax will be reported under code "5021" on page 3 of the Form ST-389, Schedule for Local Taxes.
 - Anderson** – Prior to March 1, 2015, sales and purchases in Anderson County are subject the general state sales and use tax rate of 6% (7% for accommodations). However, sales of unprepared food in Anderson County are exempt from the 6% state sales and use tax rate. **Effective March 1, 2015**, sales of unprepared food will be exempt from Anderson's new 1% Education Capital Improvement Tax. This exemption applies to everyone, not just people using food stamps. All other sales or purchases will be subject to the 6% state sales and use tax rate and Anderson's new 1% Education Capital Improvement Tax. The Anderson County Education Capital Improvement Tax will be reported under code "5040" on page 3 of the Form ST-389, Schedule for Local Taxes.
 - Cherokee** – Prior to March 1, 2015, sales and purchases in Cherokee County are subject to the general state sales and use tax rate of 6% (7% for accommodations), 1% Local Option and the 1% School District Tax. However, sales of unprepared food in Cherokee County are exempt from the 6% state sales and use tax rate and the 1% School District Tax while subject to the 1% Local Option sales and use tax. Similarly, beginning March 1, 2015, sales of unprepared food in Cherokee County will be exempt from Cherokee's new 1% Education Capital Improvement Tax (which replaces Cherokees 1% School District Tax) as well as the 6% state sales and use tax rate. This exemption applies to everyone, not just people using food stamps. However, sales of unprepared food in Cherokee County are not exempt from the 1% Local Option sales and use tax. All other sales or purchases in Cherokee County will be subject to Cherokee's new 1% Education Capital Improvement Tax as well as the 1% Local Option and the 6% state sales and use tax rate. Since the Cherokee 1% Education Capital Improvement Tax replaced the School District Tax, the total state and local sales and use tax rate administered by the SC Department of Revenue on the behalf of Cherokee County will not change. The Cherokee County Education Capital Improvement Tax will be reported under code "5111" on page 3 of Form ST-389, Schedule for Local Taxes. This is the same code that has been used for the Cherokee County School District Tax.

2. Effective **May 1, 2015**, **Colleton and Georgetown Counties** will impose a new **1% Capital Projects Tax** in the following manner:

- **Colleton County** – Currently, Colleton County imposes a 1% Local Option Sales and Use Tax in addition to the general state sales and use tax rate of 6% (7% for accommodations). While sales of unprepared food in Colleton County are subject to the 1% Local Option sales, such sales are exempt from the 6% state sales and use tax rate. **Effective May 1, 2015**, Colleton will impose a 1% Capital Projects Tax in addition to the 6% state tax rate and the 1% Local Option Sales and Use Tax rate. Unlike the 1% Local Option Sales and Use Tax, sales of unprepared food will be exempt from Colleton's new 1% Capital Projects Tax as well as the 6% state sales and use tax rate. This exemption applies to everyone, not just people using food stamps. All other sales or purchases in Colleton County will be subject to the 6% state sales and use tax rate, 1% Local Option Sales and Use Tax rate and the new 1% Capital Projects Tax. The Colleton County Capital Projects Tax will be reported under code "1015" on page 1 of the Form ST-389, Schedule for Local Taxes.
- **Georgetown County** – Currently, Georgetown County imposes a general state sales and use tax rate of 6% (7% for accommodations). However, sales of unprepared food in Georgetown County are exempt from the 6% state sales and use tax rate. **Effective May 1, 2015**, sales of unprepared food will be exempt from Georgetown's new 1% Capital Projects Tax as well as the 6% general sales and use tax. This exemption applies to everyone, not just people using food stamps. All other sales or purchases in Georgetown County will be subject to the 6% state sales and use tax rate and the new 1% Capital Projects Tax. The Georgetown County Capital Projects Tax will be reported under code "1022" on page 1 of the Form ST-389, Schedule for Local Taxes.

Further, based upon the November 2014 referendums, several counties that already impose local sales and use tax will re-impose their existing local sales and use tax. Counties currently with a local sales and use tax imposed and which will re-impose their existing local tax type include:

- Berkeley County - Transportation Tax
- Charleston County - Education Capital Improvement Tax
- Chester County - Capital Projects Tax (with the exception for certain food sales)
- Lancaster County - Capital Projects Tax (with the exception for certain food sales)
- Sumter County - Capital Projects Tax (with the exception for certain food sales)

Note: The total state and local sales and use tax rate collected by the SC Department of Revenue in these counties will not change.

The SC Department of Revenue's new website (www.dor.sc.gov) launched on December 19, 2014. You need an up-to-date browser to access the site. The following browsers are supported and can be downloaded for free:

Windows Supported Browsers:

- Internet Explorer 9 and higher
- Firefox 15 and higher
- Chrome 25 and higher

Mac Supported Browsers:

- Safari 6
- Firefox 20 and higher
- Chrome 25 and higher

COMING SOON!

In order to make the discount calculation easier, we are planning to combine the calculation into one entry on the sales tax returns. You will no longer need to calculate the discount separately on the state sales tax and the local taxes. You can look for this change on the returns in the fall!



Would you like a new way to register, file, pay and check the status of your Sales and Withholding accounts? Coming at the end of August 2015, MyDORWAY will be available and you will be able to do those things online! Watch our website at www.dor.sc.gov for more details to come this spring and summer on MyDORWAY.