State of South Carolina
Department of Revenue
300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214

IMPORTANT NOTICE
EFFECTIVE MAY 1, 2013

File Number:

Notice Date:

TO: Retailers Located In or Making Sales into Bamberg County, Hampton County, Lee County, and Marion County

FROM: South Carolina Department of Revenue

RE: New 1% Local Sales and Use Tax for Bamberg County, Hampton County, Lee County, and Marion County

New Tax Rates in Four Counties

Effective Wednesday May 1, 2013, four counties will each impose a new 1% local sales and use tax. This tax rate will be in addition to the current state and local option tax rate imposed in those counties. As a result, the new total state and local sales and use tax rate for each of these counties will be:

County - Capital Projects Tax	New Local Tax	Total State and Local Tax Rate Effective May 1st
Bamberg	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate
Hampton	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate
Lee	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate
Marion	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate

Unprepared Food Exemption Applicable to Capital Projects Tax

For State Sales and Use tax purposes, unprepared foods which may be purchased with food stamps are exempt from the 6% state sales and use tax rate. **This exemption for unprepared foods applies to everyone, not just people using food stamps.**

For Local tax purposes, this exemption does not apply to local sales and use tax administered and collected by the Department on the behalf of counties unless the local sales and use tax law specifically exempts the sales of such unprepared food. Under the new 1% capital projects tax, sales or purchases of unprepared food are specifically exempt from sales and use tax. As a result, sales and purchases of unprepared food in Bamberg, Hampton, Lee and Marion Counties will be subject to a state and local tax rate as follows:

Type of Sales	State and Local Tax Rate Imposed
Unprepared Food	0% State, 0% Capital Projects, 1% Local Option Sales Tax

Foods which may be purchased with food stamps and are exempt from the 1% capital projects tax include:

- Any food intended to be eaten at home by people, including snacks
- Seeds and plants intended to grow food (not flower seeds or bird seed)
- Cold prepared items, such as salads or sandwiches, intended to be eaten at home

Items which are not eligible to be purchased with food stamps and are, therefore, subject to the 6% state and the 1% capital projects sales and use tax rate are:

- Alcoholic beverages
- Tobacco
- Hot foods ready to eat
- Foods designed to be heated in the store
- Hot or cold food to be eaten at a lunch counter, in a dining area or anywhere else in the store
- Vitamins or medicines
- 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 and SC Informational Letter 12-1.

Reporting Local Taxes

You are to begin collecting at the new tax rate on May 1, 2013. In reporting the local Capital Project Tax on Form ST-389, it is not necessary to break these taxes down by municipality. These taxes are reported countywide. The code for reporting these new local taxes are:

County	New Local Tax	Local Tax Code
Bamberg	Capital Projects Tax	1005 (Taxable information for this tax is reported on Page 1 of Form ST-389.)
Hampton	Capital Projects Tax	1025 (Taxable information for this tax is reported on Page 1 of Form ST-389.)
Lee	Capital Projects Tax	1031 (Taxable information for this tax is reported on Page 1 of Form ST-389.)
Marion	Capital Projects Tax	1034 (Taxable information for this tax is reported on Page 1 of Form ST-389.)

The 1% Local Option tax is currently being imposed in all of the above counties. However, **the local option tax is not reported countywide – it is necessary to break this tax down by municipality in the local option tax section.** Taxable information for local option tax is reported on Page 5 of Form ST-389. Listings of the municipality codes for the incorporated cities/towns are located on page 6 of Form ST-389.

If you have questions concerning reporting of sales, please call one of the following Taxpayer Service Centers:

Columbia Main Office	803-898-5000
Columbia Field Collections	803-898-5200
Charleston Service Center	843-852-3600
Florence Service Center	843-661-4850
Greenville Service Center	864-241-1200
Myrtle Beach Service Center	843-839-2960
Rock Hill Service Center	803-324-7641

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