



IMPORTANT NOTICE

Effective July 1, 2017

File Number:

Notice Date:

TO: Retailers Making Sales of Maximum Tax Items
FROM: South Carolina Department of Revenue (SCDOR)
REFERENCE: Maximum Tax Increase and Changes

Effective July 1, 2017: Maximum Tax Increase and New Infrastructure Maintenance Fee

Effective July 1, 2017, the Maximum Sales and Use Tax (Max Tax) imposed on the sale or lease of Max Tax items will increase from \$300 to \$500. Certain items are no longer subject to the Max Tax or Sales and Use Tax but are subject to a new Infrastructure Maintenance Fee, as outlined below.

Maximum Sales and Use Tax	Infrastructure Maintenance Fee
<ul style="list-style-type: none"> • Due on boats, airplanes, self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower, and other items not subject to the Infrastructure Maintenance Fee • Reported and paid to the SCDOR using Form ST-455, State Sales, Use, and Maximum Tax Return 	<ul style="list-style-type: none"> • Generally, due on motor vehicles, motorcycles, truck tractors, trailers and semitrailers (capable of being pulled by a truck tractor only), and other items required to be registered and/or subject to the Infrastructure Maintenance Fee • Reported and paid to the South Carolina Department of Motor Vehicles (SCDMV) when first registering the item

Additional Information

- A dealer offering to license and register an item subject to the Infrastructure Maintenance Fee must collect the fee and send it to the SCDMV.
- Businesses selling items subject to the Infrastructure Maintenance Fee are required to maintain a retail license and report Sales and Use Tax on any taxable items, such as parts and accessories.
- Businesses should include the sale of items subject to the Infrastructure Maintenance Fee in their gross proceeds of sales and then deduct the amount on Worksheet #3 on Form ST-455.
- The taxation on certain energy efficient manufactured homes has not changed.
- The taxation on musical instruments and office equipment sold to religious organizations has not changed.
- For current updates on the maximum sales and use tax and Infrastructure Maintenance Fee, visit dor.sc.gov/maxtax.

NOTE: Online Max Tax Filing is Temporarily Unavailable

The SCDOR is creating a new form to be filed in addition to the Form ST-455. Until this new form is implemented, Max Tax filers must file Form ST-455 by paper for periods after July 1, 2017. Payments may still be submitted on MyDORWAY during this time. We apologize for any inconvenience as we implement these legislative changes.

If you have questions concerning any of these changes, please call the SCDOR at 1-844-898-8542 and choose the Sales Tax option.