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State of South Carolina  
**Department of Revenue**  
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SC INFORMATION LETTER #08-18

SUBJECT: Interest Rate

DATE: August 29, 2008

REFERENCE: S.C. Code Ann. Section 12-54-25 (2000)  
Act No. 310, Part IB, Section 72 D21, Proviso 72.17 (2008)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2000)  
SC Revenue Procedure #05-2

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

The interest rate to be applied to underpayments and overpayments is listed below.\* The rate is compounded daily except simple interest applies to the underpayment of declaration of estimated tax.

| <u>Period</u>      | <u>Rate*</u> | <u>Period</u>      | <u>Rate*</u> |
|--------------------|--------------|--------------------|--------------|
| 9/1/85 – 12/31/85  | 11%          | 4/1/99 – 3/31/00   | 8%           |
| 1/1/86 – 6/30/86   | 10%          | 4/1/00 – 3/31/01   | 9%           |
| 7/1/86 – 9/30/87   | 9%           | 4/1/01 – 6/30/01   | 8%           |
| 10/1/87 – 12/31/87 | 10%          | 7/1/01 – 12/31/01  | 7%           |
| 1/1/88 – 3/31/88   | 11%          | 1/1/02 – 12/31/02  | 6%           |
| 4/1/88 – 9/30/88   | 10%          | 1/1/03 – 9/30/03   | 5%           |
| 10/1/88 – 3/31/89  | 11%          | 10/1/03 – 3/31/04  | 4%           |
| 4/1/89 – 9/30/89   | 12%          | 4/1/04 – 6/30/04   | 5%           |
| 10/1/89 – 3/31/91  | 11%          | 7/1/04 – 9/30/04   | 4%           |
| 4/1/91 – 12/31/91  | 10%          | 10/1/04 – 3/31/05  | 5%           |
| 1/1/92 – 3/31/92   | 9%           | 4/1/05 – 9/30/05   | 6%           |
| 4/1/92 – 9/30/92   | 8%           | 10/1/05 – 6/30/06  | 7%           |
| 10/1/92 – 6/30/94  | 7%           | 7/1/06 – 9/30/07   | 8%           |
| 7/1/94 – 9/30/94   | 8%           | 1/1/08 – 3/31/08   | 7%           |
| 10/1/94 – 3/31/95  | 9%           | 4/1/08 – 6/30/08   | 6%           |
| 4/1/95 – 6/30/95   | 10%          | 7/1/08 – 9/30/08   | 5%           |
| 7/1/95 – 3/31/96   | 9%           | 10/1/08 – 12/31/08 | 6%           |
| 4/1/96 – 6/30/96   | 8%           |                    |              |
| 7/1/96 – 3/31/98   | 9%           |                    |              |
| 4/1/98 – 12/31/98  | 8%           |                    |              |
| 1/1/99 – 3/31/99   | 7%           |                    |              |

\* **Note reduction of interest rate on refunds. 2008 Act No. 310, Part IB, Section 72 D21, Proviso 72.17 directs the Department to reduce the rate of interest paid on eligible refunds by two percentage points from the above listed rates for refunds paid from July 1, 2008 through June 30, 2009.**