



301 Gervais Street, P.O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #90-30

TO: Vicki Jinnette Ringer
Public Information Director

FROM: Deana West, Tax Analyst
Tax Policy and Procedures Department

DATE: July 31, 1990

SUBJECT: Interstate Motor Carriers - Return Requirements
(Corporate Income Tax)

REFERENCE: S. C. Code Ann. Section 12-7-340
(As Enacted June 1990)

AUTHORITY: S. C. Code Ann. Section 12-3-140 (1976)
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

Effective June 13, 1990, Code Section 12-7-340 was enacted to set forth certain conditions which require interstate motor carriers doing de minimis business in South Carolina to file income tax returns.

If an interstate motor carrier meets any of the requirements set forth below it must file a South Carolina income tax return:

1. owns or rents real or personal property in South Carolina, except mobile property;
2. travels more than 25,000 mobile property miles during its tax year in South Carolina, even if the ratio of total mobile property miles traveled for the tax year in South Carolina to all states is less than 10%; or
3. makes over 12 pick ups or deliveries in South Carolina during its tax year.

The provisions of items 2 and 3 only apply to the holder of an operating authority issued by the Interstate Commerce Commission, not to its agents.

The law also provides that applicable interstate motor carriers who have not filed returns for the tax years 1987, 1988 and 1989 may file returns and pay taxes due plus interest for those years, if the returns are filed and payments made on or before September 11, 1990.

Interstate motor carriers, pursuant to Code Section 12-7-640, will "apportion their net apportionable income to South Carolina by use of the ratio of vehicle miles within South Carolina to total vehicle miles everywhere." This ratio will be calculated each tax year on Schedule H-3 of the South Carolina corporation income tax return.

The corporate tax rates in South Carolina for the years in question are as follows (Code Section 12-7-230):

<u>Year</u>	<u>Tax Rate</u>
Tax Years beginning in 1987	6%
Tax Years beginning in 1988	5.5%
Tax Years beginning in 1989	5%

The forms necessary to be filed are listed below and may be obtained by calling the South Carolina Tax Commission at 803-737-5080:

- CL-1 - Initial Annual Report of Corporations
- SCTC-111 - Business Tax Application
- SC 1120 - Corporate Income Tax Return (Years 1987 - 1989)

Persons requiring additional information should contact Alfred Nix in the Field Services Division at 803-737-4814.