
State of South Carolina
Department of Revenue
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

SC INFORMATION LETTER #96-7 (TAX)

SUBJECT: ADMINISTRATIVE PRONOUNCEMENT
Video Game Machines Act - Single Place or Premises

DATE: March 18, 1996

SUPERSEDES: SC Information Letter #94-12 and all previous documents and any oral directives in conflict herewith.

REFERENCE: S. C. Code Ann. Section 12-21-2804 (Supp. 1995)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (Supp. 1995)
SC Revenue Procedure #94-1

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Code Section 12-21-2804(A) concerns the number of machines that may be located in a single place or premises, and reads in part:

No person shall apply for, receive, maintain, or permit to be used, and the commission shall not allow to be maintained, permits or licenses for the operation of more than eight machines authorized under Section 12-21-2720(A)(3) at a single place or premises for the period beginning July 1, 1993, and ending July 1, 1994. After July 1, 1994, the commission may not issue nor authorize to be maintained any licenses or permits for more than five machines authorized under Section 12-21-2720(A)(3) at a single place or premises. Any licenses or permits issued for the operation of machines authorized under Section 12-21-2720(A)(3) during the period of July 1, 1993, and July 1, 1994, for a two year period shall continue in effect after July 1, 1994, provided that during the period of July 1, 1994, and July 1, 1995, no person shall maintain at a single place or premises more than eight machines authorized under Section 12-21-2720(A)(3).

Based on the above statute:

1. No more than eight machines may be located in a single place or premises after June 30, 1993.
2. No more than five machines may be located in a single place or premises after July 1, 1994, unless the requirements described below are met.

A single place or premises with machines with biennial licenses that were issued for the operation of the machines for a period after June 30, 1993 but before July 2, 1994 may have more than five but no more than eight machines during the period of July 1, 1994 through July 1, 1995.

Two types of licenses meet this requirement:

- a. Biennial licenses which expire on May 31, 1995, and
- b. Biennial licenses which expire on May 31, 1996 but were purchased prior to July 2, 1994.

Finally, in order to have more than five but no more than eight machines during this period, all machines at a location must have one of the above biennial licenses and those machines must have been in service at that location as of July 1, 1994.

For example, if a single place or premises has 6 machines in service as of July 1, 1994, all of which have licenses meeting the above requirements, then that single place or premises may have no more than 6 machines during the period of July 1, 1994 through July 1, 1995.

Note: If a single place or premises qualifies for having more than five but no more than eight machines during the period of July 1, 1994 through July 1, 1995, then owner or operator of these machines may move machines in and out of the location and still maintain more than five but no more than eight machines provided all machines at the location have licenses meeting the above requirements.

For questions concerning this matter, please contact your local Taxpayer Service Center as follows:

Aiken	(803) 641-7685	Greenville	(803) 241-1200
Beaufort	(803) 524-2852	Myrtle Beach	(803) 293-6550
Charleston	(803) 571-3000	Rock Hill	(803) 324-7641
Columbia	(803) 737-4602	Spartanburg	(803) 594-4900
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