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

SC REVENUE RULING #08-10

SUBJECT: Sales of Fire Trucks and Fire Fighting Equipment
(Sales or Use Tax)

EFFECTIVE DATE: June 1, 2007

SUPERSEDES: SC Revenue Ruling #97-1 and all previous advisory opinions and any oral directives in conflict herewith.

REFERENCES: S.C. Code Ann. Section 12-36-910 (2000; Supp 2007)
S.C. Code Ann. Section 12-36-1310 (2000; Supp 2007)
S.C. Code Ann. Section 12-36-1110 (Supp 2007)
S.C. Code Ann. Section 12-36-2110 (2000; Supp 2007)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. 2000)
S. C. Code Ann. Section 1-23-10(4) (2005)
SC Revenue Procedure #05-2

SCOPE: The purpose of a Revenue Ruling is to provide guidance to the public and to Department personnel. It is an advisory opinion issued to apply principles of tax law to a set of facts or general category of taxpayers. It is the Department's position until superseded or modified by a change in statute, regulation, court decision, or another Departmental advisory opinion.

Question:

What amount of sales or use tax should be imposed on sales of trucks and fire fighting equipment necessary to be mounted or stowed on a fire truck whether sold individually or as part of the truck?

Conclusion:

The following outlines the proper sales or use tax to be imposed upon sales of trucks and fire fighting equipment:

1. The sale of a fire truck alone is subject to tax in the amount of 5% of the truck's sales price or \$300, whichever is less.

2. Sales of fire fighting equipment such as ladders, hoses, fire extinguishers, oxygen tanks, and axes (except for protective clothing) are part of the sale of the truck (i.e. the same transaction) if the equipment is installed, provided, or supplied with the vehicle and included in the purchase price at the time of the sale of the vehicle.

If the equipment (except for protective clothing) is installed, provided, or supplied with the vehicle and included in the purchase price at the time of the sale of the vehicle, the sale of the truck and the equipment (except for protective clothing) is taxed as one transaction. The tax due is 5% of the combined sales price of the truck and fire fighting equipment or \$300, whichever is less.

The sale of protective clothing, whether or not installed, provided, or supplied with the vehicle and included in the purchase price at the time of the sale of the vehicle, is subject to the tax at the rate of 6%¹, plus any applicable local sales and use tax administered and collected by the Department of Revenue on behalf of a local jurisdiction.

If the equipment is not installed, provided, or supplied with the vehicle and included in the purchase price at the time of the sale of the vehicle, the sale of the truck and fire fighting equipment are separate and distinct transactions. The tax due on the sale of the truck is 5% of the sales price of the truck or \$300, whichever is less. The tax due on the sale of the firefighting equipment (including protective clothing) is 6%² of the sales price of the equipment, plus any applicable local sales and use tax administered and collected by the Department of Revenue on behalf of a local jurisdiction.

Discussion:

The purpose of this document is to address the imposition of the sales or use tax on sales of trucks and sales of fire fighting equipment mounted or stowed on a truck for it to be a fire truck.

The sales tax and use tax are transactional taxes imposed upon the privilege of the business of selling at retail, or using, storing, or consuming tangible personal property in South Carolina. The general state sales and use tax rate was increased from 5% to 6% on June 1, 2007; however, the state sales and use tax rate on sales of items subject to the maximum tax remained 5%³.

¹The 6% state tax due on the sale of the firefighting equipment and protective clothing became effective June 1, 2007. Prior to June 1, 2007, the state tax due on the sale of the firefighting equipment and protective clothing was 5%.

²See footnote #1.

³ Code Section 12-36-1110, which increased the state sales and use tax rate from 5% to 6% on June 1, 2007, states:

Beginning June 1, 2007, an additional sales, use, and casual excise tax equal to one percent is imposed on amounts taxable pursuant to this chapter, except that this additional one percent tax does not apply to amounts taxed pursuant to Section 12-36-920(A), the tax on accommodations for transients, nor does this additional tax apply to items subject to a maximum sales and use tax pursuant to Section 12-36-2110 nor to the sale of unprepared food which may be lawfully purchased with United States Department of Agriculture food coupons. (Emphasis added.)

Code Section 12-36-2110 establishes the maximum tax on the sale, use, storage, or consumption of certain items and reads, in part:

(A) The maximum tax imposed by this chapter is three hundred dollars for each sale...of each:

* * *

(2) motor vehicle;

* * *

(E) Equipment provided, supplied, or installed on a firefighting vehicle is included with the vehicle for purposes of calculating the maximum tax doe under this section.

The provision concerning firefighting equipment in Code Section 12-36-2120(E) was enacted in Act 419 of 1998, Part II, Section 31A. The General Assembly also enacted the following uncodified provision in Section 31B:

The effect of this amendment is to clarify and express the intent of the General Assembly that the sales tax application of the sale of firefighting vehicles must include in the calculation of the maximum tax all equipment installed, provided, or supplied with the vehicle and included in the purchase price at the time of the sale of the vehicle, not including individual firefighter's protective clothing.

Consequently, in determining the amount of the sales or use tax imposed on sales of fire trucks and fire fighting equipment, the maximum tax only applies to sales of fire fighting equipment that are provided, supplied, or installed on a firefighting vehicle as part of the same sales transaction as the truck.

However, the maximum tax does not apply protective clothing; therefore, sales of protective clothing are taxed at a state rate of 6%, plus any applicable local sales and use tax administered and collected by the Department on behalf of local jurisdictions.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Ray N. Stevens
Ray N. Stevens, Director

July 18 _____, 2008
Columbia, South Carolina