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

SC REVENUE RULING #97-1

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

EFFECTIVE DATE: Applies to all periods open under the statute.

SUPERSEDES: All previous documents and any oral directives in conflict herewith.

REFERENCES: S. C. Code Ann. Section 12-36-910 (Supp. 1996)
S. C. Code Ann. Section 12-36-1310 (Supp. 1996)
S. C. Code Ann. Section 12-36-2110 (Supp. 1996)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (Supp. 1996)
SC Revenue Procedure #94-1

SCOPE: A Revenue Ruling is the Department of Revenue's official advisory opinion of how laws administered by the Department are to be applied to a specific issue or a specific set of facts, and is provided as guidance for all persons or a particular group. It is valid and remains in effect until superseded or modified by a change in the statute or regulations or a subsequent court decision, Revenue Ruling or Revenue Procedure.

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 proper state sales or use tax to be imposed upon sales of trucks and fire fighting equipment is as follows:

1. The sale of a 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, and fire extinguishers are part of the sale of the truck (i.e. the same transaction) if the equipment is:

- (a) necessary for the truck to be a fire truck¹;
- (b) sold to the customer by the same vendor as the truck; and,
- (c) mounted or stowed on the truck prior to the time the customer takes possession of or title to the truck.

If all the above requirements are met, the sale of the truck and the equipment 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.

If any of the above requirements are not met, 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 equipment is 5% of the sales price of the equipment. This is true even if the sales price of the truck and the equipment are billed in one contract.

Discussion:

The purpose of this document is to address the imposition of the state 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.

In accordance with South Carolina Code '12-36-910(A):

A sales tax, equal to five percent of the gross proceeds of sales, is imposed upon every person engaged or continuing within this State in the business of selling tangible personal property at retail.

In accordance with South Carolina Code '12-36-1310(A):

A use tax is imposed on the storage, use, or other consumption in this State of tangible personal property purchased at retail for storage, use, or other consumption in this State, at the rate of five percent of the sales price of the property, regardless of whether the retailer is or is not engaged in business in this State.

South Carolina Code 12-36-2110(A), however, provides an exception to the 5% state tax rate. This section establishes a maximum tax on the sale, use, storage, or consumption of certain items, such as motor vehicles. Fire trucks are motor vehicles.

¹ Equipment relating to firefighters rather than to the truck, such as protective clothing, individual firefighters' oxygen tanks or axes, is not considered equipment necessary on a fire truck for it to be a fire truck. Therefore, sales of such items are separate from the sale of the truck and are taxable at 5% of the sales price of the equipment.

Since the South Carolina sales and use taxes are transactional taxes, the maximum tax does not apply to sales of fire fighting equipment that are not part of the same transaction as the truck. Consequently, in determining the amount of the sales or use tax imposed on sales of trucks and fire fighting equipment, the specific transaction(s) involved as well as the types of property involved in the transaction(s) must be examined.

The following examples provide guidance in determining whether fire fighting equipment is part of the same transaction as the truck.

EXAMPLE 1:

A vendor sells a customer a fire truck. Under the sales contract, the vendor includes the fire fighting equipment that is necessary on a truck for it to be a fire truck. The equipment is mounted or stowed on the fire truck prior to the customer taking possession of or title to the fire truck. In this instance, the sale by the vendor of the truck and the equipment is one transaction. The amount of tax due is 5% of the total or combined sales price of the truck and the equipment or \$300, whichever is less. This is analogous to the sale by an automobile retailer of an automobile with a spare tire stowed in the trunk of the automobile prior to the customer taking possession of or title to the car (i.e. one transaction.)

EXAMPLE 2:

A vendor sells a customer a truck without any equipment. The vendor also sells the customer fire fighting equipment that is necessary on a truck for it to be a fire truck. The equipment will be (1) delivered to the customer separate from the truck, and/or (2) installed after the customer takes possession of or title to the truck. The sale of the equipment is not part of the sale of the truck (i.e. two, separate transactions.) The sale of the truck is subject to the \$300 maximum tax. The sale of the equipment is a separate transaction and is subject to tax at 5% of the sales price of the equipment. This is analogous to the sale by an automobile retailer of an automobile and the separate sale of an option, such as a special sound system, to be installed after the customer takes possession of or title to the car.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Burnet R. Maybank III
Burnet R. Maybank III, Director

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