

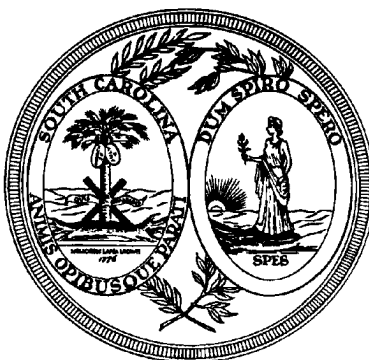
State of South Carolina
Department of Revenue

(Rev. 9/8/08)

2009

SALES AND LOCAL TAXES BOOKLET
Forms and Instructions

www.sctax.org



**Please check our website for the most current Forms at
www.sctax.org**

Important for 2009

Electronic
Filing

**FILE
ELECTRONICALLY**
See page 4

- For general questions call 803-898-5709
- Sales and Use Tax on Unprepared Food
- eSales (Electronic Sales Tax System)
- 1% Sales Tax Exclusion for 85 years and older
- Claim for Refund (ST-14)

This Package Contains:

New Information - page 1-2
Essential Information - page 3
File Electronically - page 4
Stop Look and Review - page 5
Taxpayers' Bill of Rights/Collection Process - page 7
Step-By-Step Instructions - page 10
Form: ST-3 (State Sales and Use Tax Return)
ST-389 (Schedule for Local Taxes)
ST-389-A (Local Option Addendum)
ST-8A (Resale Certificate)
ST-14 (Claim for Refund)
C-278 (Account Closing Form)
SC8822 (Change of Name/Address/Business Location)

**ST-3EZ
(Simplified Sales Tax Form)**

ST-3EZ is available on our website (www.sctax.org) or Fax-On-Demand (1-800-768-3676).

ST-3EZ should only be used if all of the following apply:

- No local taxes are due.
- You are not located in a county that collects local tax and you do not make deliveries into a county that collects a local tax.
- You do not make sales of unprepared foods.

For Form Suggestions email:
Suggestions4Forms@sctax.org

A SALES TAX RETURN MUST BE FILED EVEN IF NO SALES WERE MADE DURING THE FILING PERIOD. FOR ZERO GROSS SALES, YOU MAY FILE BY TELEFILE OR eSales.

NEW INFORMATION

The following is a list of sales and use tax legislative changes for 2009.

CALCULATION OF TAX ON MANUFACTURED HOME

From July 1, 2009 to July 1, 2019, the maximum tax provision relating to energy efficient manufactured homes sold is amended to provide an exemption from any sales and use tax calculation due if it has been designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's energy saving efficiency or, meeting or exceeding such requirements under each agency's Energy Star program.

The dealer selling the manufactured home must maintain records on each home sold that meets the energy efficiency levels on forms provided by the State Energy Office. (Amends Code Section 12-36-2110 (B))

In determining the proper amount of the sales and use tax imposed on sales of such manufactured homes, the retailer must be aware that furniture and appliances sold with the manufactured home are still subject to the tax.

ALTERNATIVE FUEL VEHICLES AND CONVERSION EQUIPMENT - SALES TAX REBATE ELIMINATED

In 2007 a sales tax rebate was enacted under the Energy Freedom and Rural Development Act to provide a sales tax rebate of up to \$300 from July 1, 2008 to June 30, 2013. As a result of the elimination of the sales tax rebate provision for alternative fuel and fuel efficient vehicles and certain conversion equipment, the sales tax rebate provision is withdrawn and no longer valid (Amends Code Section 12-36-20)

SECOND AMENDMENT WEEKEND EXEMPTION

A two day sales tax exemption applies to the sale of handguns (as defined in Code Section 16-23-10(1)), rifles, and shotguns. It begins each year on the Friday after Thanksgiving and ends at midnight the following Saturday. At the time this publication was sent to the printer, a lawsuit that may affect the implementation of this sales tax holiday was filed. Information concerning the implementation of the Second Amendment Sales Tax Exemption will be available on our website, www.sctax.org (Amends Code Section 12-36-2120).

ENERGY STAR SALES TAX EXEMPTION

This new sales tax exemption applies to purchases of certain energy efficient dishwashers, clothes washers, air conditioners, ceiling fans, fluorescent light bulbs, dehumidifiers, programmable thermostats, refrigerators, doors, and windows purchased for noncommercial home or personal use and that have a sales price of \$2,500.00 or less per product. This exemption will take place every October beginning in 2009, provided revenue growth forecasts for state government meet or exceed certain levels. At the time this publication was sent to the printer, a lawsuit that may affect the implementation of this sales tax holiday was filed. Information concerning implementation of the Energy Star Sales Tax Exemption will be published at a later date. (Amends Code Section 12-36-2120)

- REENACTED TEMPORARY PROVISIO -

The following are temporary provisions enacted in prior legislative sessions and reenacted by the General Assembly in 2008.

PRIVATE SCHOOLS, USE TAX EXEMPTION

This temporary proviso exempts the use tax on purchases of tangible personal property for use in primary and secondary schools including kindergarten and early childhood by schools exempt from income taxes under IRS Code Section 501(c)(3). The exemption does not apply to purchases subject to sales tax. This provision is effective only for the state fiscal year beginning July 1, 2008 and ending June 30, 2009, unless reenacted by the General Assembly. (Proviso 89.50)

VISCOSUPPLEMENTATION THERAPIES

There is a suspension of the state's sales and use tax for viscosupplementation therapies from July 1, 2008 through June 30, 2009. The new law does not allow for refunds for any taxes paid on sales of this product during the suspension. (Proviso 89.92)

RESPIRATORY SYNCYTIAL VIRUS PRESCRIPTION SALES AND USE TAX EXEMPTION

The effective date of the exemption from sales and use tax of prescription medicines used to prevent respiratory syncytial virus shall be January 1, 1999. No refund of sales and use taxes may be claimed as a result of this provision. (Proviso 89.81)

NEW INFORMATION (continued)

ELECTRONIC FILING REQUIREMENT

A tax preparer who prepares 100 or more returns for a tax period for the same tax year must submit all returns by electronic means where available. Where electronic means are not available, the preparer must use 2D barcode if available. The Department recommends that the preparer obtain and maintain with its records a signed statement from any taxpayer who prefers to file by paper. If compliance imposes a substantial financial hardship on the preparer, it may apply in writing to the department for an exemption not to exceed one year at a time. Failure to comply may result in a \$50 penalty for each return. For more information, please see our website at www.sctax.org.

- REGULATIONS APPROVED -

The following regulation proposals were approved by the General Assembly and became official regulations upon publication in the State Register.

SC REGULATION 117-304.1 - TRANSFERS BETWEEN AGENCIES AND BETWEEN THE STATE AND ITS POLITICAL SUBDIVISIONS -

Regulation 117-304.1 which applies to transfers between agencies and between the State and its political subdivisions has been amended to provide a technical correction to ensure that a State agency that manufactures tangible personal property receives the same treatment for property it manufactures and uses that it would if it manufactured the property and transferred it to another agency, county or municipality at cost. This regulation became effective on June 27, 2008

SC REGULATION 117-307 AND SC REGULATION 117-307.1 - HOTELS, MOTELS, AND SIMILAR FACILITIES -

These regulations concern sales tax on accommodations and additional guest charges. The amending of the regulations is needed to change the 5% tax rate to the new 6% tax rate with respect to additional guest charges at places providing sleeping accommodations and all other sales of tangible personal property at a place providing sleeping accommodations. This regulation became effective on June 1, 2007 – the effective date of the 6% tax rate.

SC REGULATION 117-307.3 - ACCOMMODATION -

This regulation specifically concerns the exception for facilities that consist of less than six sleeping rooms, contained on the same premises, which is used as the place of abode of the owner or operator of such facilities. The purpose is to incorporate the longstanding position of the Department and provides examples to illustrate when the exception does and does not apply. The regulation became effective on **June 27, 2008**.

SC REGULATION 117-329 - COMMUNICATIONS SERVICES -

This regulation concerns the application of sales and use tax to communications services. The regulation is amended to summarize longstanding Department opinion concerning the taxability of various communication services and provides a list of as many communication services as possible that the Department has held in the past to be subject to the tax. The regulation became effective on June 27, 2008.

SC REGULATION 117-318.8 - RETURNED MERCHANDISE AND RESTOCKING FEES -

This regulation concerns the application of the sales and use tax with respect to returned merchandise and restocking fees. It is added to provide that the sales price of property returned by a customer is not subject to the tax only if the "full sales price" is refunded in cash or by credit. The regulation became effective on October 1, 2008.

SC REGULATION 117-337 - SALES OF UNPREPARED FOOD -

This regulation is added to provide guidance as to the application of sales tax exemption under Code Section 12-36-2120(75) which exempts from the state sales and use tax the gross proceeds of sales or sales price of "unprepared food that lawfully may be purchased with United States Department of Agriculture food coupons." This exemption does not apply to local sales and use taxes that are administered and collected by the Department on behalf of the counties and other jurisdictions, unless the local tax law specifically exempts the sales of such unprepared food. The regulation became effective on July 25, 2008.

For a copy of these new regulations, see SC Information Letters #08-3, #08-10 and #08-16 on the Departments website, www.sctax.org (Click on "Dept. Advisory Opinions" and go to the "Calendar Year Index & then "Calendar Year 2008")

FILING REQUIREMENTS

Who must file: You are required to file form ST-3 to report any sales and use tax due in this State. Note: You must file a return even if there is no tax due for the period. (See Business Tax Telefile Instructions for filing zero returns).

When to file: Sales and use tax returns are due on or before the twentieth (20th) day of the month following the close of the *period ended*. Examples: **(1) Monthly Filers** - January period ended - submit your return no later than February 20. **(2) Quarterly Filers** - March period ended - submit your return no later than April 20. **(3) Annual Filers** - submit your return no later than January 20.

[NOTE: You must contact the SC Department of Revenue to request a change in your filing status, such as monthly, quarterly, annually and seasonally.] **If your return is not filed and/or any taxes due are not paid by the twentieth of the month, no taxpayer discount is allowed and the return is considered delinquent; applicable penalties and interest must be calculated and paid, or an assessment will be issued.**

ST-3: STATE SALES AND USE TAX RETURN

Preprinted forms: The enclosed ST-3 forms are preprinted with your business name, address, retail license number (or use tax registration number), federal employer identification number and period covered. Please draw a line through any incorrect preprinted information, enter corrections and check the box on your return before mailing in your returns. If the enclosed forms are not preprinted, please disregard. **Deductions:** There are several types of deductions from sales tax. A list of deductions is available in this booklet.

ST-389: SCHEDULE FOR LOCAL TAXES AND UNPREPARED FOOD

Tax types: The ST-389 is used for reporting the following local sales and use tax types and special taxes:

- Capital Project Tax
- School District Tax
- Transportation Tax
- Local Option Tax
- Unprepared Food Tax
- Catawba Tribal Tax

You are required to file form ST-389 to report the appropriate local sales and use tax to a county or municipality based upon sales or deliveries within the county or municipality. You are required to file form ST-389 when, (1) your business is located in a county that imposes a local tax or (2) your business delivers to a county with local tax regardless of whether your business is or is not located in a county that imposes the tax or (3) your business sells unprepared foods.

Deductions: There are several types of deductions for local taxes. A list of local tax deductions is available in this booklet.

Codes: The county/municipal numerical codes applicable to local taxes are indicated on the back page of form ST-389. Codes are preprinted for those counties/jurisdictions that currently have the Capital Project Tax, School District Tax, Transportation Tax and the Catawba Tribal Tax. You must enter the applicable county/municipality code when reporting the Local Option Tax. If the location of your business is within a municipality, use that municipality code for your location for Local Option Tax purposes. Use form **ST-389-A, Local Option Addendum**, if you need more space in reporting the Local Option Tax.

ST-14: CLAIM FOR REFUND

If you have overpaid your sales/use tax on your return, you should file a claim for refund in the form of a letter or by using the enclosed form ST-14, Claim for Refund, and file amended (corrected) figures for the periods requested. **Do not take a credit on the sales and use tax return for any overpayments.** The claim for refund should specify: the name, address, and telephone number of the taxpayer or contact person; the appropriate taxpayer identification number(s); the tax period or date for which the tax was paid; the nature and kind of tax paid; the amount which is claimed as erroneously paid; a statement of facts and documentation supporting the refund position; a statement outlining the reasons for the claim, including any law or other authority upon which you rely; and any other relevant information that the Department may reasonably require.

ST-8A: RESALE CERTIFICATE

The resale certificate form is used by retailers (purchasers) to purchase tax-free at wholesale items that are to be resold. This certificate is extended by the purchaser to the seller who maintains the certificate on file as evidence that the sales transaction is not subject to the tax. It is not required that the form ST-8A be used as long as the certificate presented to the seller contains the purchaser's name, address, and retail sales tax license number. Also, it is not necessary that a certificate be extended each time a sale is made. A resale certificate should not be used by a retailer to purchase items for their own use.

C-278: ACCOUNT CLOSING FORM

When closing or selling your business, you are required by law to return your sales and use tax license to the Department of Revenue indicating the date of closing. Complete Form C-278 when closing your business. You must file all returns and pay all taxes due. If you sell your business, the new owner will not be issued a new license until taxes due for that location have been paid. A change in ownership will require the new owner to complete a form SCTC-111, Business Tax Application, and remit the appropriate license tax. The SCTC-111 is available on our website at www.sctax.org

SC8822: CHANGE OF NAME/ADDRESS/BUSINESS LOCATION

Any change of location requires that written notification be sent to the Department of Revenue by submitting form SC8822.

File Electronically

The SCDOR has several convenient ways to electronically transmit your sales tax returns and payments. The process is completely paperless.



TeleFile

The SCDOR's **Business Tax TeleFile System** offers a convenient and paperless method of filing certain returns via touchtone telephone. Qualified telefilers must have zero gross proceeds of sales, rentals, use tax, and withdrawals for own use for the filing period covered. First time telefilers are required to register during the initial telephone call. To start the process, dial (803) 898-5918 and follow the instructions. For additional information, please contact us by E-Mail at telefile@sctax.org or call (803) 896-1715.



As an incentive to participate in eSales or the EFT/EDI program, your discount will increase from \$3000 to \$3100 per year with your first electronic transmission.

Many taxpayers are required by law to electronically file and pay their sales returns. The Department of Revenue will notify those taxpayers whose businesses have exceeded the dollar threshold (\$15,000 or more) per month in sales tax. Voluntary participation is also encouraged.

eSales (Internet Filing)

The **SCDOR SALES TAX SYSTEM (eSales)** is an Internet application designed to allow taxpayers a fast, free, and secure way to file and pay their sales, use, accommodations, local option, durable medical, and special local taxes. To file your return electronically, visit our website at www.sctax.org and click on the eSales icon. First time filers are required to register, create a user ID and password during the initial visit.

NOTE: To be considered timely filed by SCDOR, your return with payment must be submitted on the due date. The due date is normally the 20th day of the month, unless the due date falls on a weekend or holiday.

The SCDOR eSales system allows you to make payment by EFW (electronic funds withdrawal/Bank Draft) or credit card (MasterCard or VISA). ACH credit method is not an option for this program. For technical questions, call (803) 896-1715.



EFT/EDI

The Department of Revenue also offers an **EFT/EDI (Electronic Funds Transfer/Electronic Data Interchange)** Program. This program is designed to give taxpayers an electronic way to transmit tax payments and return information for sales, use, accommodations, local option, durable medical, and special local taxes.

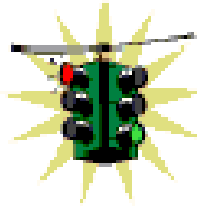
NOTE: To be considered timely filed by SCDOR, your return with payment must be submitted on the day of the due date.

The EFT/EDI program utilizes software packages to transmit your return and payment information to the Department of Revenue through modem or internet connection. Payments can be made by ACH debit (bank draft) or ACH credit methods (your financial institutions software). For more information, visit our website at www.sctax.org, E-Mail us at www.businessEFT@sctax.org, or call (803) 896-1715. The registration application (D-137), can be located on our website.

For more information about any of the electronic programs listed above, go to www.sctax.org and click on the Electronic Services. Then, click on the Sales and Use link to see more details about these programs.

STOP

LOOK



REVIEW

GUIDELINES FOR AVOIDING MOST COMMON SALES TAX ERRORS AND PROCESSING DELAYS

FORMS INFORMATION

- **Current year forms must be used.**
- Blank forms may be obtained from the Fax-On-Demand systems by calling 1-800-768-3676, (803) 898-5320 (in Columbia) or visit our website at: www.sctax.org
- Computer-generated forms must be pre-approved before using the form. For more information, visit our website at: www.sctax.org and click on **Forms and Instructions>Scannable Form Specifications.**

RETURN INFORMATION FOR ST-3

- Use the correct return for the period ended.
- A return must be filed for each period, even if no tax is due.
- Net taxable sales must be entered on Line 3 of the ST-3.
- Returns are due on or before the 20th day of the month following the closing of the period covered.
- Returns postmarked after the 20th are subject to penalty and interest charges.
- Electronically-filed returns require submissions on the due date which is normally the 20th day of the month. (See File Electronically, page 4.)

FORM INFORMATION FOR ST-389

- Complete form ST-389 when deliveries or sales are made in any county that imposes a local county tax.
- Enter each local tax separately on the form with the appropriate county or municipality code.
- DO NOT collect or remit local taxes for counties that DO NOT impose a local county tax.
NOTE: You must enter the codes for county/municipality in which your business is located and for which sales/deliveries are made.
- Complete form ST-389 if you make sales of unprepared foods in a county with a local tax.

DISCOUNT INFORMATION

- Taxpayer's discount is only for timely filed and fully paid returns.
- Use the correct discount rate: 3% if combined tax due is less than \$100
2% if combined tax due is \$100 or more.
- The same discount rate will also apply to the local tax(es).
- See instructions for additional information relating to the maximum discount.

OVERPAYMENT (NEGATIVE FIGURES) INFORMATION

- DO NOT claim credits (negative figures) on returns or addendums.
- A refund claim must be submitted for overpayments of tax previously paid.
- For additional information, refer to ST-14: Claim for Refund Section on the Essential Information page or call (803) 896-1370.

REMITTANCE (CHECKS)

1. Checks must be made payable to: SC DEPARTMENT OF REVENUE
2. **Verify the dollar and written amount of the check.**
3. Indicate type of tax, period covered and retail license number on the check.
4. Sign your check.
5. Use black ink only.

Your Name Your Address Any Town, State Zip	_____ 20 ____
Pay to _____	\$ [] Dollars
FOR _____	_____
123456789	123456 1234

NEED HELP?

Telephone assistance is available from 8:30 a.m. to 5:00 p.m. EST, Monday through Friday.



1. For ordering preprinted forms - 1-803-898-5709
2. For blank/bulk forms - www.sctax.org
- 1-800-768-3676 Automated
- 1-803-898-5320 (in Columbia) Automated
3. For general information - 1-803-898-5709
4. For assistance in filing - Visit our website at www.sctax.org and click on **Electronic Services> Sales and Use>Sales Tax Form Tutorial**

Taxpayer Service Centers (Hours 8:30 a.m. to 5:00 p.m. EST)

MAIN OFFICE

Columbia Mill Building, 301 Gervais Street, P.O. Box 125, Columbia, SC 29214, (803) 898-5000

CHARLESTON

One Southpark Circle, Suite 100, Charleston, SC 29407, (843) 852-3600

FLORENCE

1452 West Evans Street, P.O. Box 5418, Florence, SC 29502, (843) 661-4850

GREENVILLE

211 Century Drive, Suite 210-B, Greenville, SC 29607, (864) 241-1200

MYRTLE BEACH

1330 Howard Avenue, Myrtle Beach, SC 29577, (843) 839-2960

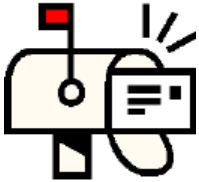
ROCK HILL

Business and Technology Center, Suite 202, 454 South Anderson Road, P.O. Box 12099, Rock Hill, SC 29731, (803) 324-7641



Mailing Address:

CORRESPONDENCE WITH THE SOUTH CAROLINA DEPARTMENT OF REVENUE



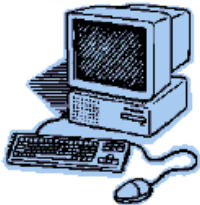
When writing to the Department of Revenue, always provide your retail license number or use tax registration number clearly. Do not mail correspondence with your return. Mail it separately to:

**SOUTH CAROLINA DEPARTMENT OF REVENUE
SALES TAX
COLUMBIA, SOUTH CAROLINA 29214-0101**

Do not use the preaddressed labels in this booklet when mailing correspondence as they are provided to expedite return processing and may slow correspondence handling.

Internet Access:

www.sctax.org



E-Mail

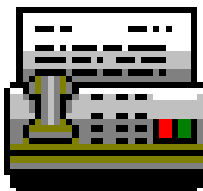
There is a space on the front of form ST-3 for your E-Mail address. If we need to contact you about your return and you would like for the Department of Revenue to contact you by E-Mail, enter your address in the space provided. If your E-Mail address changes, enter the new address on the next return due.

Listserve

Do you want to receive E-Mail notices of newsletters and hot topics related to Sales and Use Tax? We have an E-Mail notification service. Sign up for our Sales and Use Tax Listserve by visiting our website at: **www.sctax.org**

Fax-On-Demand:

FAX ON DEMAND FORMS ORDERING
1-800-768-3676 or (in Columbia area) 898-5320



The Fax on Demand system allows you to call using either your fax phone or regular touch tone phone to order single copies of forms. Dial the appropriate phone number listed above and follow the menu. If you call from your fax phone, the system faxes the forms immediately. If you use a regular touch tone phone, the system will request the fax number and will fax the forms after normal hours (11 p.m. - 8 a.m.). You may also request the fax menu, listing all information available on the Fax on Demand system. This menu will be sent to you immediately whether you are using a fax or touch tone phone. A maximum of six (6) forms may be requested in one call. The system will make three (3) attempts to fax the requested forms.

Reminder: If you do not have a plain paper fax machine, you must copy the document onto plain paper before submitting to the Department of Revenue. We will not accept returns on thermal fax paper.

Taxpayers' Bill Of Rights

- You have the right to apply for assistance from the Taxpayer Rights' Advocate within the Department of Revenue. The advocate or his designee is responsible for facilitating resolution of taxpayer complaints and problems.
- You have the right to request and receive forms, instructions and other written materials in plain, easy-to-understand language.
- You have the right to prompt, courteous service from us in all your dealings with the Department of Revenue.
- You have the right to request and receive written information guides, which explain in simple and nontechnical language, appeal procedures and your remedies as a taxpayer.
- You have the right to receive notices which contain descriptions of the basis for and identification of amounts of any tax, interest and penalties due.

Collection Process

If your sales tax return is not postmarked by the 20th of the month following the close of the period, your return is considered delinquent and will be charged with the appropriate penalties and interest.

If your return is not received:

The Department of Revenue (Department) will mail out a Failure to File Notice. If you receive this notice, contact the Department or mail (includes Telefile or eSales) your return if you have not done so.

If no reply is received to the Failure to File Notice, the Department will issue an estimated assessment. Contact the Department or mail your return when you receive this notice.

Ninety (90) days after receiving the estimated assessment, a tax lien may be recorded. The tax lien will adversely affect your credit rating for 10 years. You may be unable to obtain credit or transfer property if a tax lien is filed against you. Contact the Department of Revenue.

Failure to file and/or pay taxes can result in revocation of your licenses with the Department of Revenue.

You may be contacted by Department of Revenue personnel at any time during this process by phone or in person. Always ask for proper identification before discussing your account.

Business Personal Property

All businesses are required to file a business personal property return (Form PT-100) with the Department of Revenue annually. All furniture, fixtures and equipment are to be reported at acquisition cost with a deduction allowed for depreciation. The return is due on the last day of the fourth month following the close of the tax year. There is no provision in the law for an extension.

The following is a list of major groups of returns under the jurisdiction of the Department of Revenue and filed with the State.

South Carolina Department of Revenue Jurisdiction

Section 12-43-335 outlines the classifications under the North American Industry Classification System of Companies that are required to file returns with SCDOR unless Otherwise exempt. Those businesses are as follows:

- Sector 23 – Construction
- Sector 48 – Transportation **but not:**
 - Sector 48551 – Charter Bus Industry
 - Sector 48541 – School & Employee Bus Transportation
- Sector 484 – Truck Transportation **but not:**
 - Sector 48412 – General Freight Trucking- Long Distance
 - Sector 48423 – Special Freight (Except Used Goods) Trucking Long Distance
- Sector 483 – Water Transportation **but not:**
 - Sector 483211 – Inland Water Freight Transportation
- Sector 481 – Air Transportation **but not:**
 - Sector 481112 – Scheduled Freight Air Transportation
- Sector 56 – Administration and Support and Waste Management and Remediation Services
- Sector 51 – Information **but not:**
 - Sector 517 – Telecomm
 - Sector 5152 – Cable and Other Subscription Programming
 - Sector 51511 – Radio Broadcasting
 - Sector 51512 – Television Broadcasting
- Sector 22 – Utilities **but not:**
 - Sector 221 - Electric Power, Natural Gas, Steam Supply, Water Supply, Sewage Removal
 - Sector 2212 – Natural Gas Distribution
- Sector 42 – Wholesale Trade
- Sector 44 & 45 – Retail Trade
- Sector 71 – Arts, Entertainment and Recreation
- Sector 81 – Other Services (Except Public Administration)
- Sector 453 – Miscellaneous Store Retailers

County Jurisdiction

Section 12-39-70 outlines the classifications under the North American Industry Classification System of companies that are required to file returns with the county auditor, unless otherwise exempt. Those businesses are as follows:

- Sector 111 – Crop Production
- Sector 112 – Animal Production
- Sector 113 – Forestry and Logging
- Sector 114 – Fishing, Hunting, and Trapping
- Sector 115 – Support Activities for Agriculture and Forestry
- Sector 522 – Credit Intermediation and Related Activities
- Sector 523 – Securities, Commodity Contracts and Other Related Financial Investment and Related Activities
- Sector 524 – Insurance Carrier and Related Activities
- Sector 525 – Funds, Trusts and Other Financial Vehicles
- Sector 531 – Real Estate
- Sector 533 – Lessors of Nonfinancial Interest Assets
- Sector 551 – Management of Companies and Enterprises
- Sector 512 – Motion Picture and Sound Recording Industry
- Sector 541 – Professional, Scientific and Technical Services
- Sector 611 – Educational Services
- Sector 621 – Ambulatory Healthcare Services
- Sector 622 – Hospitals
- Sector 623 – Nursing and Residential Care Facilities
- Sector 624 – Social Assistance
- Sector 712 – Museums, Historical Sites and Similar Institutions
- Sector 721 – Accommodations
- Sector 813 – Religious, Grantmaking, Civic, Professional, and Similar Organizations
- Sector 814 – Private Households

For additional information pertaining to Business Personal Property call 803-898-5222.



STATE SALES AND USE TAX RETURN

Mail To: SC Department of Revenue Sales Tax Return Columbia, SC 29214-0101

If the business is closed permanently, please indicate date of closing, and return the license. This is a scannable form, which MUST be completed in black ink only.

Check if address change and make corrections below.

Form with fields for FEI NO., SID NO., and address information. Includes circled numbers 1, 2, and 4.

RETAIL LICENSE OR USE TAX REGISTRATION

3 047-12345-6

FOR OFFICE USE ONLY

FOR FIELD USE ONLY

5 01-09 FEBRUARY 20, 2009

Period Ended

File Return On or By

File Electronically - See booklet for details.

DO NOT TAKE CREDITS ON THIS FORM. To apply credits see ST-14.

STOP COMPLETE THE WORKSHEET ON THE REVERSE SIDE FIRST.

SALES AND USE TAX

USE BLACK INK ONLY

CLIP CHECK HERE

- 1. Gross Proceeds of Sales, Rentals, Use Tax and Withdrawals for Own Use
2. Total Amount of Deductions
3. Net Taxable Sales
4. Tax: Multiply Line 3 x 6% (.06)
5. Taxpayer's Discount
6. Sales and Use Tax Net Amount Payable
7. Penalty, Interest

Grid for tax calculations with circled numbers 9, 14, 15 and a 6% watermark.

ADDITIONAL TAX FROM ST-389

STOP Only complete this section if one of the following applies.

- local taxes are applicable to your sales or purchases
you have sales of unprepared food

REMINDER: ST-389 must be completed and attached for all additional taxes.

If this section does not apply, go to line 10.

- 9. Total Taxes Due
10. TOTAL AMOUNT DUE

Grid for additional taxes and total amount due.

IMPORTANT: This return becomes DELINQUENT if it is postmarked after the 20th day (return with payment due on or before the 20th) following the close of the period. Sign and date the return.

For questions regarding this form, call (803) 898-5788.

Internet/E-mail Address field

I hereby certify that I have examined this return and to the best of my knowledge and belief it is a true and accurate return.

Signature and information fields for Taxpayer's Signature, Owner/Partner or Title, Daytime Phone Number, Date.

SAMPLE RETURN DO NOT MAIL

SAMPLE RETURN DO NOT MAIL

SALES AND USE TAX WORKSHEET

③ 047-12345-6

Retail License or Use Tax Registration Number

6%

⑤ 01-09

Period Ended MM/YY

1. Gross Proceeds of Sales/Rentals and Withdrawals of Inventory for Own Use

1. ⑦ 145,000

2. Out-of-State Purchases Subject to Use Tax

2. ⑧ 2,000

3. Total (Add lines 1 and 2. Enter here and on line 1 on front of return.)

3. ⑨ 147,000

4. Sales and Use Tax Allowable Deductions (Itemize by Type of Deduction and Amount of Deduction)

Column A
Type of Deduction

Column B
Amount of Deduction

a. *Sales Exempt During "Sales Tax Holiday" in August

▶ \$ _____

b. **Sales over \$100.00 delivered onto Catawba Reservation

\$ _____

c. Energy Star "Sales Tax Holiday" in October

\$ _____

d. Second Amendment "Sales Tax Holiday" in November

\$ _____

Sales to Federal Government

\$ 5,000 ⑩

Food items purchased with USDA food coupons

\$ 25,000 ⑪

5. Total Amount of Deductions (Total Column B.)

5. < 30,000 >

6. Subtotal (Line 3 minus line 5) If local tax and/or tax on unprepared food is applicable, enter this amount here and on Line 1 of ST-389.

6. 117,000 ⑫

7. Unprepared Food Sales Effective November 1, 2007 sales of unprepared foods (previously taxed at 3%) are exempt of the State sales and use tax rate and must be entered here. However, local taxes still apply to sales of unprepared foods unless the local tax law specifically exempts such sales. As a result, sales that are subject to a local tax must be entered here on line 7 and on Form ST-389 (local sales tax worksheet). Sales reported for a period beginning October 1, 2006 and prior to November 1, 2007, must be entered here and on section 5 of Form ST-389 plus the ST-389 worksheet.

7. < 97,000 > ⑬

8. Total Deductions and Subtractions (Add lines 5 and 7. Enter total here and on line 2 on front of return.)

8. 127,000 ⑭

9. Net Sales and Purchases (Line 3 minus line 8 should agree with line 3 of ST-3.)

9. 20,000 ⑮

***Sales Exempt During "Sales Tax Holiday"**

If your business sells clothing, footwear, and/or school supplies, South Carolina's new sales tax exemption may impact your business. This three-day sales tax exemption will occur on the first Friday, Saturday and Sunday in August.

Sales of qualified items during the exemption period should be taken as a deduction on your tax return. The deduction should be labeled "sales tax holiday". A Policy Document with the official list is available on our Internet website: www.sctax.org

****Catawba Tribal Sales-** (See Chart on back of ST-389 for further explanation)

The Tribal Sales Tax is imposed on the delivery of tangible personal property onto the reservation by retail locations in South Carolina when the sale is greater than \$100. If the sale (delivery on the reservation) is \$100 or less, then the Tribal Sales Tax does not apply and only the 6% State sales tax applies (not local taxes). The Tribal Sales Tax is also imposed on the delivery of tangible personal property on the reservation by retail locations located on the reservation, regardless of the amount of the sale. The Tribal Sales Tax is not imposed on deliveries onto the reservation by retail locations located outside of South Carolina and registered with the Department to collect the State tax; however, these deliveries are subject to the 6% state use tax (not local taxes).

Sales subject to the Catawba Tribal Sales Tax must be included with all other sales in gross proceeds on Line 1 of worksheet on the ST-3 form but are deducted on Line 4b of the ST-3 worksheet and added to Line 2 on the ST-389 local tax worksheet. Remember, individual sales made onto the reservation of \$100 or less by retailers located off the reservation are subject to the State sales tax and would not be deducted in this manner.

SAMPLE RETURN
DO NOT MAIL

STEP-BY-STEP INSTRUCTIONS FOR ST-3/ST-389

(Rev. 9/5/08)

Please read this section before completing your form.



All entries must be typed or hand printed, clearly and legibly. If using a **non-preprinted form**, see the introduction section under **Essential Information** for instructions.

If you have a retail license or a use tax registration, you are **required to file** a tax return **even** if there is **NO TAX DUE** for the period. For zero returns, see Business Tax Telefile instructions.

WHEN FILING "NO SALES" RETURNS, please enter **zeroes** on lines 1 and 3 only on the ST-3.

COMPLETE THE SALES AND USE TAX WORKSHEET ON THE BACK OF THE ST-3 BEFORE MAKING ENTRIES ON LINES 1 THROUGH 8.

IMPORTANT: If it is determined that no entry is needed on a line (other than lines 1 and 3), PLEASE LEAVE LINE BLANK. Do not write on the lines that do not pertain to you.

STEP 1

COMPLETING THE SALES AND USE TAX WORKSHEET

SALES AND USE TAX WORKSHEET INSTRUCTIONS LINES 1 through 9

Line 1: Gross Proceeds of Sales/Rentals and Withdrawals of Inventory for Own Use Enter the total amount of all sales (taxable and nontaxable), leases and/or rentals of tangible personal property made by the business for the reporting period. Nontaxable sales are to be deducted on line 5. **DO NOT INCLUDE THE AMOUNT OF SALES TAX COLLECTED.**

You must also report purchases of tangible personal property (merchandise, equipment, etc.) purchased tax free at wholesale, but used by you and/or your employees. When purchasing merchandise out-of-state, there may be circumstances when additional tax is due. To determine if you owe additional tax, contact the South Carolina Department of Revenue (SCDOR).

Line 2: Out-of-State Purchases Subject to Use Tax Enter the total purchases of tangible personal property purchased from an out-of-state retailer who did not collect South Carolina use tax. If the tax rate in your county is greater than the tax rate paid out-of-state, contact SCDOR for additional information.

Line 3: Total Add lines 1 and 2. Enter total here and on line 1 on the front of ST-3.

Line 4: Sales and Use Allowable Deductions To claim a deduction relating to a sale, the sales transaction must be reported on line 1 or 2 of this worksheet. Enter the type of deduction (see list below) in Column A and the dollar amount of the sale in Column B. South Carolina law provides for a deduction from gross proceeds of sales for those items specifically exempt from tax. The list below is used to identify some of the items to be shown as deduction. Any amount claimed as a deduction on your return must be itemized in Column A and B of this worksheet. You are required to maintain records that will support all deductions claimed on this return. **A further explanation of deductions is available by obtaining a copy of the South Carolina Sales and Use Tax Code of Laws by contacting the Department's Main Office, the Taxpayer Service Centers or visit our website: www.sctax.org>Law and Policy**

Examples of Allowable Deductions: (Not all inclusive)

Sales for resale
Out-of-state sales

Exemptions:

Manufacturing
Agriculture
Federal Government
Medicine and prosthetic devices (by prescription)
Diabetic supplies (by written authorization)
Gasoline sales
Installation charges (separately state on invoice)

Trade-ins
Excess over tax cap
Manufactured home (35% exemption)
Food purchased with food stamps
Sales Tax Holiday exempt sales
1% tax reduction for purchases made by individuals age 85 and older for their own use

NOTE: This 1% tax reduction does not apply to local tax calculation.

Line 5: Total Amount of Deductions (Total Column B.)

Line 6: Subtotal (Line 3 minus line 5) If local tax and/or tax on unprepared food is applicable enter this amount here and on line 1 of ST-389 worksheet.

Line 7: Unprepared Food Sales Effective November 1, 2007 sales of unprepared foods (previously taxed at 3%) are exempt of the State sales and use tax rate and must be entered here. However, local taxes still apply to sales of unprepared foods unless the local tax law specifically exempts such sales. As a result, sales that are subject to a local tax must be entered here on line 7 and on Form ST-389 (local sales tax worksheet). Sales made beginning October 1, 2006 and prior to November 1, 2007, must be entered here and on section 5 of Form ST-389 plus the ST-389 worksheet.

Line 8: Total Deductions and Subtractions: Add lines 5 and 7 (Enter total here and on line 2 on front of return.)

Line 9: Net Sales and Purchases (Line 3 minus line 8) Total should agree with line 3 of ST-3.

STEP 2

ST-3

-

Calculation of 6% Sales and Use Tax

IMPORTANT: If it is determined that no entry is needed on a line, **PLEASE LEAVE LINE BLANK**. Do not write on the lines that do not pertain to you.

Line 1 Gross Proceeds of Sales: Enter the gross proceeds of sales, rentals, use tax and withdrawals of Inventory for own use. Enter the total from line 3 of your worksheet. Do **not** include sales tax collected in this amount.

Line 2 Total Amount of Deductions: Enter the total amount of deductions from line 8 of your worksheet.

Line 3 Net Taxable Sales: Line 1 minus line 2.

Line 4 Tax: Multiply line 3 x 6% (.06).

Line 5 Taxpayer's Discount: A taxpayer's discount may be claimed when the return is filed and the tax due is paid in full on or before the due date of the return. **No discount** is allowed if the return or payment is received after the due date. The discount is computed as follows:

If your combined tax liability (line 4, ST-3 and line 2, Column B last page of ST-389) is less than \$100, the discount rate is 3% (.03) of line 4. If the total is \$100 or more, the discount rate is 2% (.02) of line 4. Deduct this amount from line 4.

Note: Discounts are not allowed to exceed \$3,000 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000 maximum includes the total discounts for sales/use and local taxes. Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount. The discount amount is \$10,000 for out-of-state retailers who cannot be required to register for sales and use tax but who voluntarily register to collect and remit the tax. However, you must receive prior approval from the Department of Revenue for the \$10,000 discount.

Line 6 Sales and Use Tax Net Amount Payable: Line 4 minus 5.

Line 7 Penalty and Interest: Enter the total of Penalty and Interest, using instructions below or visit our website: www.sctax.org and click on **P and I Calculator** (under Taxes and Licenses).

PENALTY FOR FAILURE TO FILE A RETURN: Five percent (.05) of the amount of tax due (from line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed twenty-five percent (.25) of the amount of tax due.

PENALTY FOR FAILURE TO PAY TAX DUE: The penalty is one-half of one percent (.005) of the amount of tax due (the total of line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed a total of twenty-five percent (.25) of the amount of tax due. The penalty for failure to file and pay must be combined and entered as a total on line 7.

INTEREST: Interest is assessed in accordance with Sections 6621 and 6622 of the Internal Revenue Code. Rates are based on the prime rate, subject to change quarterly and are compounded daily.

Line 8 Total Sales and Use Tax: Enter the total of lines 6 and 7.

STEP 3

ST-389 - INSTRUCTIONS FOR COMPLETING FORM ST-389

DOES LOCAL TAX APPLY AND IS THIS FORM APPLICABLE?

Only complete ST-389 worksheet if one of the following applies:

- Your business is located in a county that imposes a local tax, even if the local tax due is zero.
- Your business delivers to a county with local tax, regardless of whether your business is or is not located in a county that imposes a local tax.
- Your business makes sales of unprepared food items. (If yes, see Step 6.)

If this does not apply, go to **STEP 8**.

ST-389 WORKSHEET INSTRUCTIONS

This worksheet is to assist you in determining the proper amount required to be allocated on Form ST-389. Complete this section of the ST-389 if you sold, purchased or delivered property for use in a county with a local tax.

Line 1 Net Sales and Purchases: Enter amount from line 6 of sales and use tax worksheet.

Line 2 Catawba Tribal Sales: (Enter line 4b deductions of Sales and Use Tax Worksheet.) The tribal sales tax is required to be reported on the ST-389 form only.

Line 3 Total Sales and Purchases: (Add lines 1 and 2.)

Line 4 Local Tax Allowable Deductions: Enter those sales that are not subject to local taxes or a tribal sales tax. All deductions should be itemized under column A, with the deduction amount shown in Column B.

Certain transactions are taxable for the state's 6% (effective June 1, 2007) sales and use tax, but are exempt from SC local sales and use tax.

Some examples are:

- Deliveries to counties without local tax
- Quarterly and annual filers remitting tax on the first reporting period after the implementation date may use the worksheet to calculate the amounts not subject to the local tax
- Taxable portion of all sales which fall under the \$300 maximum tax. (i.e. automobiles, manufactured homes, etc.)

This is not a complete listing of Local Tax exemptions. You may contact the South Carolina Department of Revenue at (803) 898-5709 for additional information, if you have questions regarding these exemptions.

Line 5 Total Deductions from Column B of Worksheet: Enter the total allowable deductions from Column B of line 4.

Line 6 Total Net Taxable Local Sales: (Subtract line 5 from line 3) Total should agree with Column A, line 1, last page of ST-389.

Note: If your sales, purchases and withdrawals are used or delivered in a county with more than one local tax, the taxable amount on line 1, last page of ST-389 may not agree with net taxable local sales.

Do not take credits on this form. (See **ST-14: Claim for Refund form** which is located in this booklet and discussed on the **Essential Information** section found in this booklet).

STEP 4

INSTRUCTIONS FOR COMPLETING FORM ST-389, pages 1 and 2

The Form ST-389 is a three-part form with Capital Projects, and School District taxes reported on page 1; Transportation, Catawba and Sales Tax on Unprepared Food reported on page 2. The county names and codes for these taxes are preprinted only on pages 1 and 2. Local Option taxes are required to be reported on page 3. Use only the codes listed on Form ST-389.

These instructions illustrate retail sales subject to local taxes. Each tax type is required to be reported separately on the Form ST-389 under the appropriate tax section for that particular county. For the sample enclosed in this booklet the 1% Capital Projects Tax is reported on page 1 of the ST-389 and the 1% Local Option is reported on page 3 of the ST-389.

Use instructions below to complete Columns A, B, C, and D for reporting special local taxes listed on pages 1 and 2 of ST-389.

CALCULATING LOCAL TAX ON ST-389

Column A Taxable Sales and Purchases: Enter net taxable sales or purchases made for each county or jurisdiction. The sample shows a retailer with sales in Florence County.

Column B Tax: Multiply Column A by the applicable tax rate and enter results in Column B for the applicable county or jurisdiction.

Column C Discount: A taxpayer discount may be claimed when the return is filed and tax is paid in full on or before the due date of the return. No discount is allowed if the return or payment is received after the due date. The discount is computed by multiplying the tax amount of Column B by the applicable discount rate (Column B x Discount Rate).

Note: Discounts are not allowed to exceed \$3,000 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000 maximum includes the total discounts for sales /use and local tax. Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount. The discount amount is \$10,000 for out-of-state retailers who cannot be required to register for sales and use tax, but who voluntarily register to collect and remit the tax. However, you must receive prior approval from the Department of Revenue for the \$10,000 discount.

Column D Net Amount After Discount: (Column B minus Column C) Enter total in Column D for each applicable tax to be reported.

STEP 5

INSTRUCTIONS FOR COMPLETING PAGE 3 LOCAL OPTION PORTION

Name of County or Jurisdiction: Column A is used to identify a particular county or municipality where delivery takes place in a county with a local option tax. If your business reports a local option tax, you must use the municipality or county name and code that shows the location where the property is delivered within the county. A list of counties with the municipality names and codes can be found on the reverse side of Form ST-389. Enter the name of the county or municipality and its code based upon sales or deliveries within a particular location or municipality.

ONLY ONE ENTRY PER LINE IS ALLOWED. If additional lines are needed, use the ST-389 A (Addendum) located in your booklet and our website www.sctax.org

*For purposes of the illustrated sample, the Florence County retailer would report sales subject to a 1% Local Option tax for the municipality of Lake City and use the code 2470 on page 3 of ST-389.

CALCULATING LOCAL OPTION TAX

Code: Enter the code for the named county or municipality based upon codes identified on the back of the Form ST-389. Use instructions below to complete Columns A, B, C, and D for Local Option Tax. As stated earlier, the Florence county retailer used the code 2470 for the city of Lake City.

Column A - Net Taxable Amount: Enter net taxable sales or purchases made for each county or municipality. Credits are not allowed to be taken on this form. **(See ST-14: Claim for Refund form which is located in this booklet and discussed on the Essential Information section found in this booklet).**

Column B - Local Tax: Multiply Column A by 1% (.01) and enter results in Column B for each county or municipality.

Column C - Discount: A taxpayer's discount may be claimed when the return is filed and the tax due is paid in full on or before the due date of the return. **No discount** is allowed if the return or payment is received after the due date. The discount is computed as follows:

Column B times Discount Rate (Use the same discount rate as used on line 5 of form ST-3).

Note: Discounts are not allowed to exceed \$3,000 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000 maximum includes the total discounts for sales /use and local tax. Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount. The discount amount is \$10,000 for out-of-state retailers who cannot be required to register for sales and use tax but who voluntarily register to collect and remit the tax. However you must receive prior approval from the Department of Revenue for the \$10,000 discount.

Column D - Net Amount After Discount: Column B minus Column C.

Line 1: Enter total of all net taxable sales listed in Column A of the ST-389 and ST-389-A if applicable, on line 1 on bottom of page 3. Be sure to include total of all entries from all pages. For additional entries, reproductions of page 3 are permissible or you may reproduce ST-389-A located in the back of the booklet.

Line 2: Add all local taxes due and enter total of Column B, on line 2 of last page.

Line 3: Add all net amounts in Column D.

Line 4: Enter the total of Penalty and Interest, from calculations below or visit our website: www.sctax.org

PENALTY FOR FAILURE TO FILE A RETURN: Five percent (.05) of the amount of local tax due (on line 2) for each month or fraction of a month of delinquency, not to exceed twenty-five percent (.25) of the amount of tax due.

PENALTY FOR FAILURE TO PAY TAX DUE: The penalty is one-half of one percent (.005) of the amount of local tax due (on line 2) for each month or fraction of a month of delinquency, not to exceed a total of twenty-five percent (.25) of the amount of tax due.

The penalty for failure to file and pay must be combined and entered as a total on line 4.

INTEREST: Interest is assessed in accordance with Sections 6621 and 6622 of the Internal Revenue Code. Rates are based on the prime rate, subject to change quarterly and are compounded daily.

Line 5: Add lines 3 and 4. Enter the total of Column D from line 5 on ST-3 line 9.

Make a copy of the completed Form ST-389 for your records.

Reminder: All pages of Form ST-389 must be attached to appropriate state form.

STEP 6

ST-389 - CALCULATING TAX ON UNPREPARED FOOD

Does Food Tax Apply?

Effective November 1, 2007, sales of unprepared food items eligible to be purchased with United States Department of Agriculture food coupons (i.e., electronic benefit transfer cards) will be exempt from the state sales and use tax rate. This exemption does not apply to local sales and use taxes administered by the Department of Revenue. Local taxes are required to be shown in the applicable local tax section of the Form ST-389.

However, sales of unprepared food which lawfully may be purchased with United States Department of Agriculture food stamps beginning October 1, 2006 and prior to November 1, 2007 must be reported in this section.

Column A: Net Taxable: Enter unprepared food sales in section 5, Column A.

Column B: Tax: Multiply section 5, Column A x 3% (.03).

Column C: Taxpayer Discount: Column B x Applicable Discount Rate.

The discount rate is determined as follows:

If your combined tax liability (line 4, ST-3 and line 2, Column B last page of ST-389) is less than \$100, the discount rate is 3% (.03). If the total is \$100 or more, the discount rate is 2% (.02)

Column D: Net Amount After Discount: Column B minus Column C. If local taxes are applicable go to Step 4, otherwise continue.

STEP 7 ST-3 - ENTERING TAX FROM ST-389

REMINDER: ST-389 must be completed and attached for all additional taxes. If this section does not apply, go to line 10 of the ST-3.

9. Total Taxes Due (From Column D, line 5, last page of form ST-389)

STEP 8 ST-3 - DETERMINE TOTAL AMOUNT DUE

10. **TOTAL AMOUNT DUE** (Add lines 8 and 9)

STEP 9 ST-3 - SIGNATURE

Sign and date your return on the ST-3.

DON'T FORGET — Returns are past due if postmarked after the 20th of the month.

If you are not using preprinted forms and it is necessary to use blank forms, be sure to include your Social Security Number or Federal Employer Identification number in the space provided on the form.