

## Chapter 10

# Maximum Tax Items

### A. General Information

#### Infrastructure Maintenance Fee:

This chapter concerns items that are subject to a maximum tax under South Carolina Code §12-36-2110. Please note, however, Act No. 40 of 2017 imposed a new infrastructure maintenance fee beginning July 1, 2017, and any sale or purchase of an item that is subject to this fee is exempt from state and local sales and use tax and the casual excise tax. See South Carolina Code §12-36-2120(83). As a result, certain transactions that were subject to a maximum sales, use, or casual excise tax prior to July 1, 2017 are now instead subject to an infrastructure maintenance fee remitted to the SC Department of Motor Vehicles (SCDMV).

SC Information Letter #17-10 (Revised) contains charts providing the applicable infrastructure maintenance fee rate, sales and use tax rate, or casual excise tax rate for a number of items purchased by residents, nonresidents, and military personnel. This information letter is reproduced for reference as Exhibit A of this chapter. For questions regarding the new infrastructure maintenance fee remitted to the SCDMV, please contact the SCDMV at [cartaxes@scdmv.net](mailto:cartaxes@scdmv.net).

#### Maximum Tax:

The sales, use and casual excise taxes are imposed at the rate of 5%<sup>1</sup> for the sale or lease of tangible personal property subject to a maximum tax. Local taxes administered and collected by the Department on behalf of local jurisdictions do not apply to the sale or lease of tangible personal property subject to a maximum tax.

#### Maximum Tax Applies to:

(A) A maximum tax of \$500 is established for each sale<sup>2</sup> or lease<sup>3</sup> of each:<sup>4</sup>

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<sup>1</sup> The provisions of South Carolina Code §12-36-1110 which increased the sales and use tax rate and the casual excise tax rate from 5% to 6% effective June 1, 2007 do not apply to the sale or lease of tangible personal property subject to the maximum tax.

<sup>2</sup> The maximum tax only applies for each sale made after June 30, 1984.

<sup>3</sup> The maximum tax only applies for each lease executed after August 31, 1985.

<sup>4</sup> South Carolina Code §12-36-2110(A), as amended by Act No. 40 of 2017. Effective July 1, 2017, Act No. 40 increased the maximum tax from \$300 to \$500 for certain enumerated items.

- motor vehicle (“Low speed vehicles” that meet the requirements of South Carolina Code §§56-2-110 through 56-2-130 are subject to the \$500 maximum tax.);<sup>5</sup>
- motorcycle (on-road or off-road);
- recreational vehicle, including tent campers, travel trailers, park trailers, motor homes and fifth wheels;
- boat<sup>6</sup> (The sale of personal watercraft, such as a jet ski,<sup>7</sup> and a barge<sup>8</sup> are each the transfer of a “boat” subject to the \$500 maximum tax.);
- aircraft;
- trailer or semitrailer capable of being pulled only by a truck tractor;
- self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower;<sup>9</sup>
- fire safety education trailer; and
- horse trailer.

In order for the lease of any of the above items to qualify for the \$500 maximum tax, the lease must specifically state the term of, and remain in force for, a period in excess of 90 continuous days. In addition, the sales or use tax applies to each renewal of the lease and the maximum tax for that renewal will only apply if (1) the lease renewal is in writing and (2) the lease renewal specifically states a term of, and remains in force for, a period in excess of 90 continuous days.

**Note:** The sale or purchase of any vehicle or other item which is subject to an infrastructure maintenance fee by South Carolina Code §56-3-627 is exempt from sales and use tax. See South Carolina Code §12-36-2120(83). See Chart 1 in Exhibit A for examples of transactions which are subject to the infrastructure maintenance fee and exempt from sales and use tax.

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<sup>5</sup> See South Carolina Revenue Ruling #18-1.

<sup>6</sup> See the discussion later in this chapter on boats for a complete explanation.

<sup>7</sup> South Carolina Revenue Ruling #18-4.

<sup>8</sup> South Carolina Revenue Ruling #18-5. In addition, a barge that is permanently affixed to a (1) dock, (2) the ocean, lake or river bottom, or (3) any other realty is not used as a “boat” and is not entitled to the maximum tax under South Carolina Code §12-36-2110.

<sup>9</sup> In order for the maximum tax to apply to self-propelled light construction equipment, the equipment must be used in construction. Equipment purchased for maintenance or repair purposes does not qualify for the maximum tax and is subject to the state sales and use tax at a rate of 6%, plus any applicable local sales and use taxes. See South Carolina Technical Advice Memorandum #89-13 and Form ST-405.

- (B) A maximum tax of \$300 is established for the sale of each musical instrument, or each piece of office equipment,<sup>10</sup> purchased by a religious organization exempt under Internal Revenue Code Section 501(c)(3), provided the musical instrument or office equipment must be located on church property and used exclusively for the organization's exempt purpose. The religious organization must furnish to the seller an affidavit on forms prescribed by the Department. The affidavit must be retained by the seller.
- (C) A maximum tax is established for the sale of a manufactured home<sup>11</sup> as defined in South Carolina Code §40-29-20. The maximum tax applicable to the sale of a manufactured home depends on whether or not the manufactured home meets certain energy efficiency requirements. See the section in this chapter on manufactured homes for details.<sup>12</sup>

### Maximum Tax Does Not Apply To:

The following are examples of tangible personal property the sale or lease of which are not subject to the maximum tax:

- trailers or semitrailers capable of being pulled by vehicles other than a truck tractor;<sup>13</sup>
- pole trailers;
- boat trailers;<sup>14</sup>
- self-propelled light construction equipment with compatible attachments with a net engine horsepower that exceeds 160; and,
- all terrain vehicles, legend race cars,<sup>15</sup> golf carts and other items not meeting the definition of a motor vehicle.

Sales or leases of these items are subject to a state tax rate of 6%, plus any applicable local sales and use tax.

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<sup>10</sup> South Carolina Code §12-36-2110(C).

<sup>11</sup> South Carolina Code §12-36-2110(B).

<sup>12</sup> **Manufactured homes designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's energy efficiency requirements, or designated as meeting or exceeding the energy efficiency requirements under each agency's Energy Star program, are exempt from the sales and use tax for sales or purchases from July 1, 2009 through July 1, 2019.** See the section in this chapter on manufactured homes for details.

<sup>13</sup> See SC Revenue Ruling #14-2.

<sup>14</sup> See the discussion later in this chapter on boats for a complete explanation.

<sup>15</sup> South Carolina Revenue Advisory Bulletin #00-03 and SC Revenue Ruling #18-1.

**Note:** The sale or purchase of any vehicle or other item which is subject to an infrastructure maintenance fee by South Carolina Code §56-3-627 is exempt from sales and use tax and the casual excise tax. See South Carolina Code §12-36-2120(83). See Chart 1 in Exhibit A for examples of transactions which are subject to the infrastructure maintenance fee and exempt from sales and use tax and the casual excise tax.

Motor Vehicles Sold to Nonresidents:<sup>16</sup>

The sales tax due on a sale to a nonresident<sup>17</sup> of a motor vehicle that is to be registered and licensed in the nonresident purchaser's state of residence, is as follows:

1. The lesser of:
  - (a) the sales tax which would be imposed on the sale in the purchaser's state of residence or
  - (b) the tax that would be imposed under Chapter 36 of the South Carolina Code of Laws (the lesser of 5% of the gross proceeds of sale or \$500).
2. No sales tax is due in South Carolina if a nonresident purchaser cannot receive a credit in his resident state for sales tax paid to South Carolina.

Note: Even though a credit will be allowed in the purchaser's state of residence for sales tax paid in South Carolina under this provision, a state or local tax may still be due in the purchaser's state of residence. This may be a result of a higher state tax due in the purchaser's state, a local tax due in the purchaser's state, or other provisions of the state tax law in the purchaser's state of residence (e.g., credit provisions concerning state vs. local taxes).

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<sup>16</sup> South Carolina Code §12-36-930 and South Carolina Information Letter #14-2. Note: The provisions of this section also apply to trailers, semitrailers, or pole trailers; however, the application of the provisions of South Carolina Code §12-36-930 with respect to trailers, semitrailers, or pole trailers is not discussed in the section since not all trailers, semitrailers, or pole trailers are subject to the maximum tax. For details as to vehicles that are or are not subject to the maximum tax, see the "General Information" section above.

<sup>17</sup> South Carolina Code §12-36-2120(25) exempts sales of motor vehicles (excluding trucks) or motorcycles, which are required to be licensed to be used on the highways, sold to a resident of another state, but who is located in South Carolina by reason of orders of the United States Armed Forces. This exemption is allowed only if within ten days of the sale the vendor is furnished a statement from a commissioned officer of the Armed Forces of a higher rank than the purchaser certifying that the buyer is a member of the Armed Forces on active duty and a resident of another state or if the buyer furnishes a leave and earnings statement from the appropriate department of the armed services which designates the state of residence of the buyer.

At the time of the sale, the seller must obtain from the purchaser a notarized statement of the purchaser's intent to license the vehicle in the purchaser's state of residence within 10 days.<sup>18</sup> South Carolina Form ST-385, "Affidavit for Intent to License Motor Vehicle, Trailer, Semitrailer, or Pole Trailer Purchased in South Carolina in Purchaser's State of Residence," may be used. The seller should retain a completed and notarized copy of Form ST-385. The purchaser should give a copy to the appropriate agency (*e.g.*, revenue department, department of motor vehicles) of the purchaser's state of residence.

**Note:** Licensed SCDMV dealers remit sales tax to the SCDMV for motor vehicle sales to nonresidents who will register the motor vehicle outside of South Carolina.<sup>19</sup> Retailers who are not licensed SCDMV dealers remit sales tax to the SC Department of Revenue for motor vehicle sales to nonresidents who will register the motor vehicle outside of South Carolina. See Chart 2 in Exhibit A for more information.

## **B. Boats, Boat Motors, and Boat Trailers – Sold for Personal Use<sup>20</sup>**

The following guidelines concern the sales, use, and casual excise tax rates applicable to the sale of boats, boat motors, and boat trailers:

1. A boat sold alone is taxed at the lesser of 5% of the purchase price or \$500.
2. A boat motor sold alone is taxed at 6% of the purchase price.
3. A boat trailer sold alone is taxed at 6% of the purchase price. (The casual excise tax does not apply to boat trailers.)

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<sup>18</sup> If the purchaser does not plan to license the vehicle in his state of residence or does not complete the notarized statement, then the provisions of South Carolina Code §12-36-930 are not applicable and the sale is taxed as if the purchaser were a resident of South Carolina.

<sup>19</sup> Code Section 12-36-2110(A)(5) was added by Act No. 40 of 2017 to provide that the sales tax due on sales by dealers (registered with the South Carolina Department of Motor Vehicles) of items subject to a maximum sales tax under Code Section 12-36-2110(A)(1) (*e.g.*, a motor vehicle or motorcycle) which would be subject to the new infrastructure maintenance fee in Code Section 56-3-627 if registered in South Carolina, but that will instead be registered in another state, must now be collected by and remitted to the South Carolina Department of Motor Vehicles. Prior to July 1, 2017, the South Carolina Department of Revenue collected this tax. For more information regarding transactions where the infrastructure maintenance fee or the sales and use tax applies, and to whom the fee or tax is remitted, see SC Information Letter #17-10 (Revised).

<sup>20</sup> For purposes of this discussion, boat trailers do not include trailers which must be pulled by truck tractors or boat trailers which are used by manufacturers to transport boats to dealerships. Further, this discussion only involves boat trailers purchased for personal use. The SCDMV has indicated that beginning July 1, 2017, boat trailers purchased for business use are subject to an infrastructure maintenance fee upon an owner's first registration in South Carolina under South Carolina Code §56-3-627. Sales or purchases of items that are subject to an infrastructure maintenance fee are exempt from sales and use tax by South Carolina Code §12-36-2120(83).

4. A boat sold with a motor permanently attached to it is taxed at the lesser of 5% of the purchase price of the boat and motor or \$500.<sup>21</sup>
5. A boat trailer sold in conjunction with the sale of a boat is taxed at 6% of the purchase price of the boat trailer. The boat is taxed at the lesser of 5% of the purchase price of the boat or \$500.
6. A boat trailer sold in conjunction with the sale of a boat that has a permanently attached motor is taxed at 6% of the purchase price of the boat trailer. The boat with a permanently attached motor is taxed at the lesser of 5% of the purchase price of the boat and motor or \$500. (Note: If the price of the boat trailer is not separately stated from the price of the boat and motor, the boat trailer is subject to tax at 6% of the fair market value of the boat trailer. If the price of the boat trailer is separately stated from the price of the boat and motor, the price breakdown must be reasonable and supported by the records of the taxpayer, otherwise the trailer will be taxed at 6% of its fair market value.)

Note: All transactions listed above that are (1) subject to a maximum tax of \$500 or (2) subject to the casual excise tax<sup>22</sup> are not subject to local sales and use taxes administered and collected by the South Carolina Department of Revenue on behalf of local jurisdictions.<sup>23</sup> All transactions listed above that are not subject to a maximum tax or the casual excise tax (and therefore taxed at 6% for state sales and use tax purposes) are subject to local sales and use taxes administered and collected by the South Carolina Department of Revenue on behalf of local jurisdictions.

For additional information on the sale of boats, boat motors, and boat trailers, see SC Revenue Ruling #18-11.

## C. Manufactured Homes

Calculation of the Tax: The maximum tax on the sale of a manufactured home,<sup>24</sup> as defined in South Carolina Code §40-29-20, is calculated as follows:

- (1) subtract trade-in allowance from the sales price;

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<sup>21</sup> A boat motor is considered permanently attached to a boat if it is (1) an inboard motor or (2) an outboard motor sold mounted to the boat, connected to a permanent steering mechanism, and included in the price of the boat.

<sup>22</sup> The only casual excise tax item which is not subject to a maximum tax is a boat motor.

<sup>23</sup> The casual excise tax is imposed for the issuance of a certificate of title, or other proof of ownership, for every boat, boat motor, or airplane required to be registered, titled, or licensed. Code Section 12-36-1710. It is not a sales or use tax. A local jurisdiction has authority to impose sales and use tax, but not a casual excise tax.

<sup>24</sup> South Carolina Code §12-36-2110(B).

- (2) multiply the result from (1) by 65%;
- (3) if the result from (2) is no greater than \$6,000, multiply by 5% for the amount of tax due;
- (4) if the result from (2) is greater than \$6,000, the tax due is \$300 plus 2% of the amount greater than \$6,000.

Exemption for Tax in Excess of \$300: A manufactured home is exempt from any tax in excess of \$300 that may be due as a result of the calculation in item (4) above if it meets these energy efficiency levels: storm or double pane glass windows, insulated or storm doors, a minimum thermal resistance rating of the insulation only of R-11 for walls, R-19 for floors, and R-30 for ceilings.

However, variations in the energy efficiency levels for walls, floors, and ceilings are allowed and the exemption on tax due above \$300 applies if the total heat loss does not exceed that calculated using the levels of R-11 for walls, R-19 for floors, and R-30 for ceilings. The edition of the American Society of Heating, Refrigerating, and Air Conditioning Engineers Guide in effect at the time is the source for heat loss calculation.

Exemption for Entire Tax Due: **From July 1, 2009, to July 1, 2019**, a manufactured home is exempt from any tax that may be due as a result of the calculation above 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 requirements or has been designated as meeting or exceeding such requirements under each agency's ENERGY STAR program.

Records Requirements: The dealer selling the manufactured home must maintain records, on forms provided by the State Energy Office, on each manufactured home sold that meets the energy efficiency levels provided above. These records must be maintained for three years and must be made available for inspection upon request of the Department of Consumer Affairs or the State Energy Office.

Note: The maximum tax authorized does not apply to a single-family modular home regulated pursuant to Chapter 43, Title 23.



Furniture and Appliances Sold with the Home: Furniture and appliances are not considered a part of a manufactured or modular home, unless they are built-ins as noted below. For example, televisions, counter appliances, sofas, chairs and tables, even though sold with a home, are not a part of the home. Because these items are not a part of the home, they are taxed separately from the home at 6%, plus any applicable local sales and use tax, of their sales price less any trade-in allowed. The amount upon which the tax is calculated on furniture and appliances that are not built ins is the amount listed in the sales contract for these items or the retail fair market value of these items if the amounts for these items are not listed in the contract or if the amounts listed in the contract do not reasonably represent the retail fair market value of these items.<sup>25</sup>

Items such as disposals, built-in dishwashers, and built-in stoves are considered a part of the home and are not taxed separately from the home if installed at the time of the retail sale of the home.<sup>26</sup>

Heat Pumps, Air Conditioning Systems, Etc.: Heat pumps, air conditioning systems, skirting, steps, decks, septic tanks, wells, and driveways built or installed after the home is delivered to the construction site are not considered a part of the delivered home and are taxed separately from the home. The sale of these items to, or the purchase of these items by, the person who will build or supply and install them is subject to the tax at a rate of 6%, plus any applicable local sales and use tax.<sup>27</sup>

## **D. Musical Instruments and Office Equipment Sold to Religious Organizations**

The sale of each musical instrument, or each piece of office equipment,<sup>28</sup> purchased by a religious organization exempt under Internal Revenue Code Section 501(c)(3) is subject to a maximum tax of \$300, provided the musical instrument or office equipment is located on church property and used exclusively for the organization's exempt purpose. The religious organization must furnish to the seller an affidavit on forms prescribed by the department (Form ST-382). The affidavit must be retained by the seller.

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<sup>25</sup> SC Regulation 117-335.4.

<sup>26</sup> SC Regulation 117-335.4.

<sup>27</sup> SC Regulation 117-335.5.

<sup>28</sup> South Carolina Code §12-36-2110(C).



## Exhibit A

### **Infrastructure Maintenance Fee, Sales/Use Tax, and Casual Excise Tax Implications of Purchases by SC Residents, Nonresidents, and Military Personnel**

The most current version of this information, as of the date of this publication, is South Carolina Information Letter #17-10 (Revised).

For questions regarding the new infrastructure maintenance fee remitted to the Department of Motor Vehicles, or sales taxes remitted by licensed SCDMV dealers to the Department of Motor Vehicles on sales to nonresidents, please contact the Department of Motor Vehicles at [cartaxes@scdmv.net](mailto:cartaxes@scdmv.net).



STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210  
P.O. Box 12265, Columbia, South Carolina 29211

SC INFORMATION LETTER #17-10 (Revised)<sup>1</sup>

**SUBJECT:** South Carolina Infrastructure and Economic Development Reform Act

**DATE:** June 27, 2017

**REFERENCE:** Act No. 40 (Enacted May 10, 2017)

**AUTHORITY:** S.C. Code Ann. Section 12-4-320 (2014)  
SC Revenue Procedure #09-3

**SCOPE:** An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

**NOTICE TO MOTOR VEHICLE, MOTORCYCLE, AND TRAILER  
DEALERS AND RETAILERS**

*Overview of New Infrastructure Maintenance Fee:*

The General Assembly recently enacted the South Carolina Infrastructure and Economic Development Reform Act to address the needs of South Carolina's transportation infrastructure system and to set the State on the path towards a first-class road network. As part of its effort to improve the State's transportation infrastructure network, a new infrastructure maintenance fee has been enacted that will become effective July 1, 2017.

*Registration in South Carolina upon Purchase or Lease:* The owner of each vehicle, trailer, semitrailer or other item that must be registered pursuant to Chapter 3 of Title 56 must pay the infrastructure maintenance fee upon first registering the vehicle, trailer, semitrailer or other item with the SC Department of Motor Vehicles ("SCDMV"). The infrastructure maintenance fee is remitted to SCDMV and is imposed at a rate of 5% of the gross proceeds of the sale, not to exceed \$500, for a sale by a licensed SCDMV dealer or 5% of the vehicle's fair market value, not to exceed \$500, for a sale by a person who is not an SCDMV licensed dealer.

Sales that are subject to the new infrastructure maintenance fee are exempt from the State and local sales and use taxes.

<sup>1</sup> See additional information on page 4.

If a dealer has a South Carolina retail license or offers to license and register the item, then the dealer must collect the infrastructure maintenance fee and remit it to SCDMV. Generally, based on information from SCDMV, a dealer is a person in the business of selling motor vehicles (e.g., cars, trucks, motorcycles, and motor homes) that is licensed with SCDMV. A dealer also includes, effective November 19, 2018, a person licensed with SCDMV in the business of selling mopeds.

*Registration in South Carolina after First Registration in Another State:* The infrastructure maintenance fee is also imposed when a vehicle, trailer, semi-trailer or other item required to be registered under Chapter 3 of Title 56 was first registered in another state by the owner and is subsequently registered for the first time in South Carolina by the same owner. This infrastructure maintenance fee is \$250.

***Charts for Dealers, Other Retailers, and Nonretailers:***

The Department of Revenue, in coordination with the Department of Motor Vehicles, has prepared several charts to assist dealers and other retailers in determining: (1) whether the sale is subject to the new infrastructure maintenance fee or the sales and use tax; (2) whether to remit the infrastructure maintenance fee to the Department of Motor Vehicles or remit the sales and use tax on sales to nonresidents to the Department of Motor Vehicles or the Department of Revenue; and (3) the rate of the infrastructure maintenance fee or the sales and use tax.

Attached are three charts that address the following categories of sales, with each chart providing information concerning the type of vehicle, the fee or tax that applies to the transaction, the fee or tax rate, and the maximum fee or tax (if applicable):

- Chart 1: Motor Vehicles and Other Items Purchased and Registered in South Carolina by a South Carolina Resident and Other Items Purchased by a South Carolina Resident
- Chart 2: Motor Vehicles and Other Items Purchased in South Carolina by a Nonresident to be Registered or Used Outside of South Carolina
- Chart 3: Motor Vehicles and Other Items Previously Registered Outside of South Carolina

Chart 1 and Chart 2 address three types of transactions – (1) purchases from licensed SCDOR retailers who are also licensed SCDMV dealers (e.g., a motor vehicle dealership); (2) purchases from licensed SC DOR retailers who are not licensed SCDMV dealers (e.g., a retailer selling motor vehicles from its delivery fleet); and (3) purchases from nonretailers (e.g., a casual sale by an individual).

## ***General Summary:***

While these charts provide information about many different types of vehicles and other items, it is not an all-inclusive list of transactions. The application of the new infrastructure maintenance fee or the sales and use tax can generally be summarized as follows (unless the transaction is otherwise exempt):

### General Rule:

- If the vehicle is required to be registered and is registered with the Department of Motor Vehicles, the Infrastructure Maintenance Fee applies and is remitted to the Department of Motor Vehicles.
- If the vehicle is of a type that is not required to be registered with the Department of Motor Vehicles, then the sales tax would apply and is remitted to the Department of Revenue (e.g., a utility trailer for personal use).

### Sales to Nonresidents:

- If the vehicle is subject to the maximum tax provisions of Code Section 12-36-2110(A)(1) (e.g., motor vehicle, motorcycle, recreational vehicle), is of the type that would be registered in South Carolina if not for it being registered out-of-state, and is sold by a SCDMV licensed dealer to a nonresident who will register it in his home state, then the sales tax applies and is remitted to the Department of Motor Vehicles. (Note: The sales tax imposed on such sales to a nonresident by a person who is not a licensed SCDMV dealer are remitted to the Department of Revenue.)

However, based on Code Section 12-36-930 and Code Section 12-36-2120, the sales tax is not due if (1) the purchaser's state of residence does not impose a sales tax on motor vehicles, trailers, semitrailers or pole trailers, (2) the purchaser's state of residence does not allow a credit against their use tax for sales tax paid on such items in South Carolina, or (3) the sale is otherwise exempt from the sales tax.

- If the vehicle is not subject to the maximum tax provisions of Code Section 12-36-2110(A)(1) and is sold to a nonresident who will register it in his home state, then the sales tax applies and it is remitted to Department of Revenue.

### Casual Excise Tax:

- The casual excise tax will no longer apply to motor vehicles and motorcycles. Beginning July 1, 2017, the casual excise tax will only apply to aircraft, boats and boat motors. The infrastructure maintenance fee, however, is paid at the time of registration.

The attached charts provides the applicable rate for the infrastructure maintenance fee or the sales and use tax for each of the above scenarios and also provide general information, including information on exemptions for active duty military members.

***Additional Information:***

This information letter, SC Information Letter #17-10, was originally issued on June 27, 2017. The attached charts were published as “drafts” at that time to provide immediate guidance. This revision of SC Information Letter #17-10 does not change the original charts. It only removes the “Draft” status of the charts and finalizes the charts as of December 12, 2017. For more detailed information about these changes, and for other changes that became effective July 1, 2017 (e.g., motor fuel user fee increase, maximum sales and use tax increase from \$300 to \$500 on certain items), see SC Information Letter #17-8.

If you have questions regarding the new infrastructure maintenance fee remitted to the Department of Motor Vehicles, or sales taxes remitted by licensed SCDMV dealers to the Department of Motor Vehicles on sales to nonresidents, please contact the Department of Motor Vehicles at [cartaxes@scdmv.net](mailto:cartaxes@scdmv.net).

If you have questions regarding all other sales and use tax matters, please contact the Department of Revenue at (803) 898-5000 or [salestax@dor.sc.gov](mailto:salestax@dor.sc.gov).

**ITEMS SUBJECT TO SALES/USE TAX  
OR INFRASTRUCTURE MAINTENANCE FEE (IMF)  
- Effective July 1, 2017 -**

<b>CHART 1: MOTOR VEHICLES AND OTHER ITEMS PURCHASED AND REGISTERED IN SOUTH CAROLINA BY A SOUTH CAROLINA RESIDENT AND OTHER ITEMS PURCHASED BY A SOUTH CAROLINA RESIDENT</b>			
<b>ITEM PURCHASED</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)</b>
Motor Vehicle (Including Low Speed Vehicles & State/County/Local Government Vehicles with a plate class of SG, CG, MG, or RG) (Maximum Sales Tax Item)	IMF Remitted by Dealer to DMV 5% up to \$500	No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)  No IMF Collected by Retailer  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)	No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500
Motorcycle (Maximum Sales Tax Item)	IMF Remitted by Dealer to DMV 5% up to \$500	No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)  No IMF Collected by Retailer  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)	No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500
US Government Vehicle	Exempt	Exempt  (See S.C. Code § 12-36-2120(2))	

<b>MOTOR VEHICLES AND OTHER ITEMS PURCHASED AND REGISTERED IN SOUTH CAROLINA BY A SOUTH CAROLINA RESIDENT AND OTHER ITEMS PURCHASED BY A SOUTH CAROLINA RESIDENT</b>			
<b>CHART 1:</b>			
<b>ITEM PURCHASED</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)</b>
Motor Homes (Maximum Sales Tax Item)	IMF Remitted by Dealer to DMV 5% up to \$500	No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)  No IMF Collected by Retailer  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)	No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500
Moped (Purchased on or after November 19, 2018 - See 2017 Act No. 89) (Maximum Sales Tax Item)	IMF Remitted by Dealer to DMV 5% up to \$500	No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)  No IMF Collected by Retailer  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)	No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500
Moped (Purchased prior to November 19, 2018)		Sales Tax Remitted by Retailer to DOR 6% + Local	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction



**MOTOR VEHICLES AND OTHER ITEMS PURCHASED AND REGISTERED  
IN SOUTH CAROLINA BY A SOUTH CAROLINA RESIDENT AND  
OTHER ITEMS PURCHASED BY A SOUTH CAROLINA RESIDENT**

**CHART 1:**

ITEM PURCHASED	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV	PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)
Trailer or Semitrailer, Pulled by a Truck Tractor (Maximum Sales Tax Item)		<p>No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)</p> <p>No IMF Collected by Retailer</p> <p>IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)</p>	<p>No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller</p> <p>IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500</p>
Pole Trailer		<p>No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)</p> <p>No IMF Collected by Retailer</p> <p>IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)</p>	<p>No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller</p> <p>IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500</p>
Utility Trailers, Boat Trailers, and Farm Trailers - Business Use		<p>No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83) or S.C. Code § 12-36-2120(16)</p> <p>No IMF Collected by Retailer</p> <p>IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)</p>	<p>No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller</p> <p>IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500</p>

**CHART 1: MOTOR VEHICLES AND OTHER ITEMS PURCHASED AND REGISTERED IN SOUTH CAROLINA BY A SOUTH CAROLINA RESIDENT AND OTHER ITEMS PURCHASED BY A SOUTH CAROLINA RESIDENT**

ITEM PURCHASED	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV	PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)
Utility Trailers, Boat Trailers, and Farm Trailers - Personal Use		Sales Tax Remitted by Retailer to DOR 6% + Local (Unless Exempt Under S.C. Code § 12-36-2120(16))	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Horse Trailer (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$500	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Recreational Vehicles Pulled by a Motor Vehicle (Tent Campers, Travel Trailers, Park Models, Park Trailers, and Fifth Wheels) (Maximum Sales Tax Item)		No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)  No IMF Collected by Retailer  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)	No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller  IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500
Dirt Bikes (Off Road) (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$500	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Aircraft (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$500	No Sales Tax Collected by Seller  Buyer Remits Casual Excise Tax to DOR Upon Issuance of Certificate of Title, or Other Proof of Ownership 5% up to \$500

<b>MOTOR VEHICLES AND OTHER ITEMS PURCHASED AND REGISTERED IN SOUTH CAROLINA BY A SOUTH CAROLINA RESIDENT AND OTHER ITEMS PURCHASED BY A SOUTH CAROLINA RESIDENT</b>			
<b>CHART 1: ITEM PURCHASED</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)</b>
Boat or Boat with Motor Permanently Attached at Time of Sale (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$500	No Sales Tax Collected by Seller  Buyer Remits Casual Excise Tax to DOR or DNR Upon Issuance of Certificate of Title, or Other Proof of Ownership 5% up to \$500
Boat Motor (Not permanently attached to boat at time of sale) (Not a Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 6% + Local  Note: Local Sales/Use Taxes Apply Except for the Local Option Tax in S.C. Code § 4-10-20	No Sales Tax Collected by Seller  Buyer Remits Casual Excise Tax to DOR or DNR Upon Issuance of Certificate of Title, or Other Proof of Ownership 6%
Golf Carts, ATVs, and Go-Carts		Sales Tax Remitted by Retailer to DOR 6% + Local	No Sales or Casual Excise Tax Due on Transaction
Professional Race Cars Towed to or from a Race Track		Sales Tax Remitted by Retailer to DOR 6% + Local	No Sales Tax, Casual Excise Tax or IMF Due on Transaction
Single Family Modular Home (Ch. 43, Title 23)		Sales Tax Remitted by Retailer to DOR 6% + Local	No Sales or Casual Excise Tax Due on Transaction
Musical Instrument/Office Equipment Purchased by IRC § 501(c)(3) Religious Organization (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$300 (See S.C. Code § 12-36-2110(C))	No Sales or Casual Excise Tax Due on Transaction
Manufactured Home (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR (See S.C. Code § 12-36-2110(B))	No Sales or Casual Excise Tax Due on Transaction

(See General Information for Chart 1 on the Following Page)

## CHART 1 GENERAL INFORMATION

### Maximum Tax Items (5% up to \$500) under S.C. Code § 12-36-2110(A)

- |  |   |  |
|--|---|--|
| <ul style="list-style-type: none"> <li>• Motor Vehicle</li> <li>• Motorcycle</li> <li>• Trailer or Semitrailer, capable of being pulled only by a truck tractor</li> <li>• Recreational Vehicles including Tent Campers, Travel Trailers, Park Models, Park Trailers, Motor Homes, and Fifth Wheels</li> </ul> | <ul style="list-style-type: none"> <li>• Horse Trailer</li> <li>• Fire Safety Education Trailer</li> <li>• Self-Propelled Light Construction Equipment with compatible attachments limited to a maximum of 160 net engine horsepower</li> </ul> | <ul style="list-style-type: none"> <li>• Boat</li> <li>• Aircraft, including unassembled aircraft to be assembled by the purchaser, but not items to be added to the unassembled aircraft</li> </ul> |
|--|---|--|

### Sales and Use Tax Exemptions

Chart 1 provides the tax rate and maximum tax (if applicable) for various sales and use tax transactions. Notwithstanding the above, some sales may be exempt under S.C. Code § 12-36-2120 (e.g., farm trailers used in planting, cultivating and harvesting of farm crops - S.C. Code § 12-36-2120(16)) and therefore not subject to the tax.

### Purchases by Nonresidents for First Registration or Use in South Carolina

Chart 1 concerns motor vehicles and other items that are purchased and registered in South Carolina by South Carolina residents. However, Chart 1 also applies to motor vehicles and other items purchased by nonresidents that are first registered in South Carolina with the SC Department of Motor Vehicles ("SCDMV") (i.e., subject to the Infrastructure Maintenance Fee) or are purchased by nonresidents for use in South Carolina (sales or use tax), unless otherwise exempt.

### Out-of-State Delivery by a Retailer or by a Common Carrier on Behalf of a Retailer

Notwithstanding the above, a sale is exempt from state and local sales and use tax if the seller, by contract of sale, is obligated either (1) to deliver the item to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina, or (2) to deliver the item to a common carrier or the US mail for transportation to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina. See S.C. Code § 12-36-2120(36).

### Active Duty Military Members

See Charts 2 and 3 for information on the taxes and fees imposed on active duty military members, if any.

**ITEMS SUBJECT TO SALES/USE TAX  
OR INFRASTRUCTURE MAINTENANCE FEE (IMF)  
- Effective July 1, 2017 -**

<b>MOTOR VEHICLES AND OTHER ITEMS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA</b>			
<b>CHART 2: ITEM PURCHASED</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (e.g., a casual sale by an individual)</b>
Motor Vehicle (Maximum Sales Tax Item)	Sales Tax Remitted by Dealer to DMV  Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500  See Notes 1 and 2 for exceptions	Sales Tax Remitted by Retailer to DOR  Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500  See Note 1 for exceptions	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Motor Homes (Maximum Sales Tax Item)	Sales Tax Remitted by Dealer to DMV  Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500  See Notes 1 and 2 for exceptions	Sales Tax Remitted by Retailer to DOR  Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500  See Note 1 for exceptions	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Motorcycle (Maximum Sales Tax Item)	Sales Tax Remitted by Dealer to DMV  Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500  See Notes 1 and 2 for exceptions	Sales Tax Remitted by Retailer to DOR  Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500  See Note 1 for exceptions	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction

<b>CHART 2: MOTOR VEHICLES AND OTHER ITEMS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA</b>			
<b>ITEM PURCHASED</b>	<b>PURCHASED FROM A RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (e.g., a casual sale by an individual)</b>
Dirt Bikes (Off Road) (Maximum Sales Tax Item) (Not of a Type Subject to Registration under S.C. Code § 56-3-627)	Sales Tax Remitted by Dealer to DOR 5% up to \$500	Sales Tax Remitted by Retailer to DOR 5% up to \$500	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Moped (Purchased on or after November 19, 2018 - See 2017 Act No. 89) (Maximum Sales Tax Item)	Sales Tax Remitted by Dealer to DMV Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500 See Notes 1 and 2 for exceptions	Sales Tax Remitted by Retailer to DOR Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500 See Notes 1 and 2 for exceptions	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Recreational Vehicles Pulled by a Motor Vehicle (Tent Campers, Travel Trailers, Park Models, Park Trailers, and Fifth Wheels) (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500 See Notes 1 and 2 for exceptions	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Trailer or Semitrailer of a Type Required to be Licensed and Registered (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500 See Notes 1 and 2 for exceptions	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction

<b>CHART 2: MOTOR VEHICLES AND OTHER ITEMS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA</b>			
<b>ITEM PURCHASED</b>	<b>PURCHASED FROM A RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (e.g., a casual sale by an individual)</b>
Trailer, Semitrailer, or Pole Trailer of a Type Required to be Licensed and Registered (Not a Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR  Lesser of sales tax imposed in the purchaser's state of residence or 6% + Local  See Notes 1 and 2 for exceptions	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Trailer or Semitrailer of a Type Not Required to be Licensed and Registered (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$500	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Trailer or Semitrailer of a Type Not Required to be Licensed and Registered (Not a Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 6% + Local	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
<i>Nonresident Military</i> Motor Vehicles (excluding trucks) and Motorcycles Purchased by a Non-Resident Member of the Military Located in South Carolina by Reason of Orders of the US Armed Forces (e.g., car, minivan, SUV, motorcycle) (Personal Use Only)	No IMF or Sales Tax Remitted on Transaction  Exempt under S.C. Code §§ 12-36-2120(25) & 56-3-627(H) regardless of state of registration	No IMF or Sales Tax Remitted on Transaction  Exempt under S.C. Code §§ 12-36-2120(25) & 56-3-627(H) regardless of state of registration	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction



<b>CHART 2: MOTOR VEHICLES AND OTHER ITEMS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA</b>		<b>PURCHASED FROM A NONRETAILER (e.g., a casual sale by an individual)</b>	
<b>ITEM PURCHASED</b>	<b>PURCHASED FROM A RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (e.g., a casual sale by an individual)</b>
<p><i>Nonresident Military and Spouse</i>            Motor Vehicles (including trucks), Motorcycles, Trailers and Semitrailers Purchased by a Non-Resident Member of the Military (including Spouse) Located in South Carolina by Reason of Orders of the US Armed Forces (e.g., car, motor home, recreational trailer, truck, minivan, SUV, motorcycle) (Personal Use Only)</p>	<p>No IMF or Sales Tax Remitted on Transaction if the license, fee, or excise is paid by the servicemember in the servicemember's State of domicile or residence.             Exempt Under Servicemember Civil Relief Act See §§ 3911 (Definitions), 4001 (Exemption for Personal Property), and 49 U.S. Code § 30102 (Definition of Motor Vehicle)</p>	<p>No IMF or Sales Tax Remitted on Transaction if the license, fee, or excise is paid by the servicemember in the servicemember's State of domicile or residence.             Exempt Under Servicemember Civil Relief Act See §§ 3911 (Definitions), 4001 (Exemption for Personal Property), and 49 U.S. Code § 30102 (Definition of Motor Vehicle)</p>	<p>No Sales Tax or Casual Excise Tax Due on Transaction             No IMF due on Transaction if the license, fee, or excise is paid by the servicemember in the servicemember's State of domicile or residence.</p>
<p>Aircraft (Maximum Sales Tax Item)</p>		<p>Sales Tax Remitted by Retailer to DOR 5% up to \$500</p>	<p>No Sales Tax or IMF Due on Transaction             No Casual Excise Tax Due, Unless Buyer Obtains a Certificate of Title or Other Proof of Ownership in South Carolina (If Casual Excise Tax Applies, 5% up to \$500)</p>

<b>MOTOR VEHICLES AND OTHER ITEMS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA</b>			
<b>CHART 2:</b>			
<b>ITEM PURCHASED</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (e.g., a casual sale by an individual)</b>
Boat or Boat with Motor Permanently Attached at Time of Sale (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$500	No Sales Tax or IMF Due on Transaction  No Casual Excise Tax Due, Unless Buyer Obtains a Certificate of Title or Other Proof of Ownership in South Carolina (If Casual Excise Tax Applies, 5% up to \$500)
Boat Motor (Not permanently attached to boat at time of sale) (Not a Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 6% + Local  Note: Local Sales/Use Taxes Apply Except for the Local Option Tax in S.C. Code § 4-10-20	No Sales Tax or IMF Due on Transaction  No Casual Excise Tax Due, Unless Buyer Obtains a Certificate of Title or Other Proof of Ownership in South Carolina (If Casual Excise Tax Applies, 6% but no Local Taxes)
Golf Carts, ATVs, and Go-Carts		Sales Tax Remitted by Retailer to DOR 6% + Local	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction

<b>CHART 2: MOTOR VEHICLES AND OTHER ITEMS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA</b>			
<b>ITEM PURCHASED</b>	<b>PURCHASED FROM A RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV</b>	<b>PURCHASED FROM A NONRETAILER (e.g., a casual sale by an individual)</b>
Moped (Purchased prior to November 19, 2018)		Sales Tax Remitted by Retailer to DOR 6% + Local	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Musical Instrument/Office Equipment Purchased by IRC § 501(c)(3) Religious Organization (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR 5% up to \$300 See S.C. Code § 12-36-2110(C)	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Manufactured Home (Maximum Sales Tax Item)		Sales Tax Remitted by Retailer to DOR See S.C. Code § 12-36-2110(B)	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction

(See General Information and Notes for Chart 2 on the Following Pages)

## CHART 2 GENERAL INFORMATION

### Maximum Tax Items (5% up to \$500) under S.C. Code § 12-36-2110(A)

- Motor Vehicle
- Motorcycle
- Trailer or Semitrailer, capable of being pulled only by a truck tractor
- Recreational Vehicles including Tent Campers, Travel Trailers, Park Models, Park Trailers, Motor Homes, and Fifth Wheels
- Horse Trailer
- Fire Safety Education Trailer
- Self-Propelled Light Construction Equipment with compatible attachments limited to a maximum of 160 net engine horsepower
- Boat
- Aircraft, including unassembled aircraft to be assembled by the purchaser, but not items to be added to the unassembled aircraft

### Sales and Use Tax Exemptions

Chart 4 provides the tax rate and maximum tax (if applicable) for various sales and use tax transactions. Notwithstanding the above, some sales may be exempt under S.C. Code § 12-36-2120 (e.g., farm trailers used in planting, cultivating and harvesting of farm crops - S.C. Code § 12-36-2120(16)) and therefore not subject to the tax.

### Purchases by Nonresidents for First Registration or Use in South Carolina

Chart 1 concerns motor vehicles and other items that are purchased and registered in South Carolina by South Carolina residents. However, Chart 1 also applies to motor vehicles and other items purchased by nonresidents that are first registered in South Carolina with the SC Department of Motor Vehicles ("SCDMV") (i.e., subject to the Infrastructure Maintenance Fee) or are purchased by nonresidents for use in South Carolina (sales or use tax), unless otherwise exempt.

### Active Duty Military Members

*Resident Military Members:* See Chart 1 for registration or purchases by military members who are residents of South Carolina.

*Nonresident Military Members:* See also Chart 1 and 3 for more information on the taxes and fees imposed on nonresident active duty military members, if any.

## CHART 2 NOTES

### **Note 1: Purchases by Nonresidents for Registration in the Purchaser's State of Residence**

Code Section 12-36-930 provides that the sales tax due on a sale to a nonresident of a motor vehicle, trailer, semitrailer, or pole trailer that is to be registered and licensed in the nonresident purchaser's state of residence, is the lesser of (1) the sales tax which would be imposed on the sale in the purchaser's state of residence or (2) the tax that would be imposed in South Carolina.

No sales tax is due in South Carolina if (1) a nonresident purchaser cannot receive a credit in his resident state for sales tax paid to South Carolina or (2) the nonresident's state does not impose a sales tax on the sale of a motor vehicle, trailer, semitrailer, or pole trailer.

#### **Examples (as of July 1, 2017):**

*Georgia and North Carolina:* Since Georgia and North Carolina do not impose a sales tax on the sale of motor vehicles, no sales tax is due in South Carolina on a sale to a Georgia or North Carolina resident who will license and register the motor vehicle in their state of residence.

*Virginia:* Since Virginia does not allow a credit against its use tax for sales tax paid in South Carolina on the purchase of a motor vehicle, no sales tax is due in South Carolina on a sale to a Virginia resident who will license and register the motor vehicle in their state of residence.

*Alabama, Florida, and Tennessee:* Since Alabama, Florida, and Tennessee impose a sales tax on the sale of motor vehicles and allow a credit against use tax for sales taxes paid in South Carolina on purchases of motor vehicles, the South Carolina sales tax is due on the lesser of the sales tax imposed in the purchaser's state of residence or 5% South Carolina sales tax, but no more than \$500.

### **Note 2: Out-of-State Delivery by a Retailer or by a Common Carrier on Behalf of a Retailer**

Notwithstanding the above, a sale is exempt from state and local sales and use tax if the seller, by contract of sale, is obligated either (1) to deliver the item to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina, or (2) to deliver the item to a common carrier or the US mail for transportation to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina. See S.C. Code § 12-36-2120(36).

**MOTOR VEHICLES AND OTHER ITEMS PREVIOUSLY  
REGISTERED OUTSIDE OF SOUTH CAROLINA**

**- Effective July 1, 2017 -**

**CHART 3:**

Item Previously Registered Outside of South Carolina	Infrastructure Maintenance Fee (IMF)
Vehicle Previously Registered Out-of-State by the Owner and Subsequently Registered in SC for the <u>first</u> time by the Same Owner	IMF Remitted by Owner to DMV \$250
<i>Active Duty Military Member and Family (Resident or Nonresident):</i> Vehicle Previously Registered Out-of-State by Active Duty Military or Spouse/Dependent and Subsequently Registered for the <u>first</u> time in SC by Same Owner	No IMF Due on Registration in South Carolina Exempt Under S.C. Code § 56-3-627(D)(2)