LOCAL OPTION SALES TAX

Currently, 27 counties impose an additional 1% local sales and use tax. They include Abbeville, Allendale, Bamberg, Barnwell, Berkeley, Charleston, Chester, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Florence, Hampton, Jasper, Kershaw, Lancaster, Laurens, Lee, Marion, Marlboro, McCormick, Pickens, Saluda, Sumter and Williamsburg counties.

All sales exempt from the 5% sates and use tax are also exempt from the 1% local option tax.

The 1% local sales and use tax does not apply to sales that are subject to a "cap" or maximum tax, i.e., sales of aircraft, motor vehicles, motorcycles, boats, trailers and semi-trailers pulled by truck tractors, self-propelled light construction equipment, unassembled aircraft, mobile homes, musical instruments and office equipment purchased by certain religious organizations, and certain research and development equipment.

The 1% local sales and use tax does not apply to transactions that are subject to the 5% casual excise tax. The casual excise tax is imposed on "the issuance of every certificate of title, or other proof of ownership, for every motor vehicle, motorcycle, boat, motor or airplane, required to be registered, titled or licensed".

If a retailer is located in a local option tax county, he is liable for the 1% sales tax on all sales of tangible personal property delivered within the county in which he is located. If the retailer makes deliveries into another county (local option county or not), the 1% sales tax is not due. However, the purchaser located in a local option tax county is liable for the 1% use tax.

SUMMARY

The retailer is liable for the 1% local option sales tax. If a retailer is located in a local option tax county and makes delivery in that county, then the 1% sales tax is due (unless exempt or excluded). If he makes delivery into another county, the 1% sales tax is not due. However, the 1% use tax will be due by a person taking delivery and first storing, using or consuming the property in a local option tax county. The purchaser is not liable for the 1% use tax if he takes delivery in another county and pays that county's 1% sales tax. He is also relieved of the tax if he has a receipt from the retailer showing the retailer has collected the 1% use tax.

If a retailer has any sort of physical presence in a local option tax county (e.g., office, salesperson, etc.), he may be required to collect and report the 1% use tax for deliveries made into that county.

The 1% tax does apply to lease payments made after the imposition date on leases entered into on or after the imposition date.