



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)¹

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.

¹ 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.

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.

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

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)
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))	

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)
<p align="center">Motor Homes (Maximum Sales Tax Item)</p>	<p align="center">IMF Remitted by Dealer to DMV 5% up to \$500</p>	<p align="center">No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)</p> <p align="center">No IMF Collected by Retailer</p> <p align="center">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 align="center">No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller</p> <p align="center">IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500</p>
<p align="center">Moped (Purchased on or after November 19, 2018 - See 2017 Act No. 89) (Maximum Sales Tax Item)</p>	<p align="center">IMF Remitted by Dealer to DMV 5% up to \$500</p>	<p align="center">No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83)</p> <p align="center">No IMF Collected by Retailer</p> <p align="center">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 align="center">No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller</p> <p align="center">IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500</p>
<p align="center">Moped (Purchased prior to November 19, 2018)</p>		<p align="center">Sales Tax Remitted by Retailer to DOR 6% + Local</p>	<p align="center">No Sales Tax, Casual Excise Tax, or IMF Due on Transaction</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)
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

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)
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)

- 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 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 -**

CHART 2: MOTOR VEHICLES AND OTHER ITEMS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA			
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 (e.g., a casual sale by an individual)
Motor Vehicle (Maximum Sales Tax Item)	<p>Sales Tax Remitted by Dealer to DMV</p> <p>Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500</p> <p>See Notes 1 and 2 for exceptions</p>	<p>Sales Tax Remitted by Retailer to DOR</p> <p>Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500</p> <p>See Note 1 for exceptions</p>	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Motor Homes (Maximum Sales Tax Item)	<p>Sales Tax Remitted by Dealer to DMV</p> <p>Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500</p> <p>See Notes 1 and 2 for exceptions</p>	<p>Sales Tax Remitted by Retailer to DOR</p> <p>Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500</p> <p>See Note 1 for exceptions</p>	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Motorcycle (Maximum Sales Tax Item)	<p>Sales Tax Remitted by Dealer to DMV</p> <p>Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500</p> <p>See Notes 1 and 2 for exceptions</p>	<p>Sales Tax Remitted by Retailer to DOR</p> <p>Lesser of sales tax imposed in the purchaser's state of residence or 5% sales tax, but no more than \$500</p> <p>See Note 1 for exceptions</p>	No Sales Tax, Casual Excise Tax, or IMF Due on Transaction

CHART 2:

**MOTOR VEHICLES AND OTHER ITEMS PURCHASED
IN SOUTH CAROLINA BY A NONRESIDENT TO BE
REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA**

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 (e.g., a casual sale by an individual)
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

CHART 2:

**MOTOR VEHICLES AND OTHER ITEMS PURCHASED
IN SOUTH CAROLINA BY A NONRESIDENT TO BE
REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA**

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 (e.g., a casual sale by an individual)
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

CHART 2:

**MOTOR VEHICLES AND OTHER ITEMS PURCHASED
IN SOUTH CAROLINA BY A NONRESIDENT TO BE
REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA**

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 (e.g., a casual sale by an individual)
<p><i>Nonresident Military and Spouse</i> Motor Vehicles (<u>including trucks</u>), Motorcycles, Trailers and Semitrailers Purchased by a Non-Resident Member of the Military (<u>including Spouse</u>) 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.</p> <p align="center">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.</p> <p align="center">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</p> <p>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 align="center">Aircraft (Maximum Sales Tax Item)</p>		<p align="center">Sales Tax Remitted by Retailer to DOR 5% up to \$500</p>	<p>No Sales Tax or IMF Due on Transaction</p> <p>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>

**CHART 2: MOTOR VEHICLES AND OTHER ITEMS PURCHASED
IN SOUTH CAROLINA BY A NONRESIDENT TO BE
REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA**

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 (e.g., a casual sale by an individual)
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

**CHART 2: MOTOR VEHICLES AND OTHER ITEMS PURCHASED
IN SOUTH CAROLINA BY A NONRESIDENT TO BE
REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA**

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 (e.g., a casual sale by an individual)
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 | • Horse Trailer | • Boat |
| • Motorcycle | • Fire Safety Education Trailer | • Aircraft, including |
| • 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 | unassembled aircraft to be assembled by the purchaser, but not items to be added to the unassembled aircraft |
| • Recreational Vehicles including Tent Campers, Travel Trailers, Park Models, Park Trailers, Motor Homes, and Fifth Wheels | | |

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).

CHART 3:**MOTOR VEHICLES AND OTHER ITEMS PREVIOUSLY REGISTERED OUTSIDE OF SOUTH CAROLINA****- Effective July 1, 2017 -**

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)