



# IMPORTANT NOTICE

## Effective March 1, 2017 and May 1, 2017

File Number:

Notice Date:

**TO:** All Businesses

**FROM:** South Carolina Department of Revenue

**REFERENCE:** Local Tax Rate Changes for Certain Counties in 2017

Based on the results of November 2016 referendums, new local taxes will take effect on two (2) important dates in 2017 as follows:

### Effective March 1, 2017

In addition to the current state and local option sales tax rate, Darlington and Kershaw counties will impose a new 1% Education Capital Improvement Tax. Note the new sales and use tax rate total for each county:

County/Code	New Local Tax	Total State and Local Rate Effective March 1
Darlington 5161	1% Education Capital Improvement Tax	8% General Tax Rate 9% Accommodations Tax Rate
Kershaw 5281	1% Education Capital Improvement Tax	8% General Tax Rate 9% Accommodations Tax Rate

#### Effective March 1, 2017 for Darlington County

- 1% School District Tax will end after February 28, 2017.
- 1% Education Capital Improvement Tax is in addition to 1% Local Option Tax.
- Sales of unprepared food will be exempt from Darlington's new 1% Education Capital Improvement Tax. This exemption applies to everyone, not just people using food stamps.
- Darlington County's Education Capital Improvement Tax will be reported under code "5161" on page 3 of the Form ST-389 Schedule for Local Taxes.

#### Effective March 1, 2017 for Kershaw County

- 1% Education Capital Improvement Tax is in addition to 1% Local Option Tax.
- Sales of unprepared food will be exempt from Kershaw's new 1% Education Capital Improvement Tax. This exemption applies to everyone, not just people using food stamps.
- Kershaw County's Education Capital Improvement Tax will be reported under code "5281" on page 3 of the Form ST-389 Schedule for Local Taxes.

**Effective May 1, 2017**

In addition to the current state and local option sales tax rate, each of the following counties will impose a new 1% Capital Projects Tax. Note the new sales and use tax rate total for each county:

<b>County/Code</b>	<b>New Local Tax</b>	<b>Total State and Local Rate Effective May 1</b>
Allendale 1016	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate
Barnwell 1006	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate
Greenwood 1024	1% Capital Projects Tax	7% General Tax Rate 8% Accommodations Tax Rate
Horry 1026	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate
McCormick 1033	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate
Williamsburg 1045	1% Capital Projects Tax	8% General Tax Rate 9% Accommodations Tax Rate

**Effective May 1, 2017 for Allendale, Barnwell, Greenwood, Horry, McCormick, and Williamsburg Counties**

- Sales of unprepared food will be exempt from new 1% Capital Projects Tax. This exemption applies to everyone, not just people using food stamps.
- Each county will report its respective Capital Projects Tax on page 1 of the Form ST-389 Schedule for Local Taxes.

**Effective May 1, 2017 for Newberry County**

- Newberry County will reimpose its 1% Capital Projects Tax.
- Sales of unprepared food will be exempt from Newberry's reimposed 1% Capital Projects Tax. This exemption applies to everyone, not just people using food stamps.

**Effective May 1, 2017 for Union County**

Union County will impose a new 1% Local Option Tax. Note the new sales and use tax rate total:

<b>County</b>	<b>New Local Tax</b>	<b>Total State and Local Rate Effective May 1</b>
Union	Local Option Tax	7% General Tax Rate 8% Accommodations Tax Rate

- Union County's new 1% Local Option Tax will be reported on page 5 of the Form ST-389 Schedule for Local Taxes using the appropriate local option code.

**Effective May 1, 2017 for Charleston County**

In addition to the current state and local sales tax rate, Charleston County will increase the Transportation Tax from 0.5% to 1%. Note the new sales and use tax rate total:

<b>County</b>	<b>New Local Tax</b>	<b>Total State and Local Rate Effective May 1</b>
Charleston	Transportation Tax	9% General Tax Rate 10% Accommodations Tax Rate

**Note:**

Construction contractors who enter into construction contracts which are entered into, or for which a written bid is submitted, before the effective date of a new local tax which increases the combined state and local sales and use tax rate may apply for an exemption from the new local sales and use tax rate. This special exemption certificate applies only if the contractor buys building materials used by the contractor on a construction contract in a county for which an exemption certificate has been issued. Contractors wishing to apply for the local sales and use tax exemption should complete the Form ST-10C and submit it to South Carolina Department of Revenue.

If you have questions, call 1-844-898-8542.