

IMPORTANT NOTICE

Effective February 1, 2004

TO: Retailers Located In or Making Sales to Darlington County

FROM: South Carolina Department of Revenue

RE: Local 1% School District Tax for Darlington County

Effective Sunday, February 1, 2004, all sales made in or to Darlington County will be subject to 7% sales and use tax (or 9% accommodation tax). This new rate is the result of **voter approval of an additional 1% local sales and use tax to be used for specified school purposes in Darlington County**. This 1% school district tax is in addition to the 1% local option tax currently imposed by this county.

If you make sales in Darlington County, **you should begin collecting the tax on February 1**. You will continue to use your current sales tax form (ST-3, ST-388 or ST-403); however, in addition to completing your current form, you must also complete and attach Pages 1 and 2 of addendum ST- 389.

Page 1 is used when reporting the 1% school district tax. Please report your school district taxable information in the school district section of this page. The school district tax is reported county-wide. Therefore, it is not necessary to break this tax down by municipality. The code for Darlington County's School District tax is **5161**.

Page 2 is used for reporting 1% local option tax (continue to use municipality codes listed on back of page 2 for Darlington County). You must continue to break the local option tax down by municipalities.

All sales which are currently subject to the 5% sales and use tax are also subject to the 1% school district tax, with the **following two exceptions**:

- 1) Foods which **may** be purchased with food stamps are exempt. **This 1% exemption applies to everyone, not just people using food stamps.**

Foods which may be purchased with food stamps and are exempt from the 1% school district tax include:

- Any food intended to be eaten at home by people, including snacks
- Seeds and plants intended to grow food (not flower seeds or bird seed)
- Cold prepared items, such as salads or sandwiches, intended to be eaten at home

Items which cannot be purchased with food stamps and are, therefore, subject to the 1% school district tax are:

- Alcoholic beverages
- Tobacco
- Hot foods ready to eat
- Foods designed to be heated in the store
- Hot or cold food to be eaten at a lunch counter, in a dining area or anywhere else in the store
- Vitamins or medicines
- Pet food
- Any non-food items such as tissue, soap or other household goods

However, please be advised, the 1% percent local option tax, currently, collected in Darlington county does not provide a specific exemption on food sales as provided for the school district tax. Therefore, for purposes of collecting the 1% local option tax, all sales of food are still subject to the 1% local option tax unless otherwise exempted under the State sales and use tax law.

2) Items subject to a \$300 maximum tax are exempt from the 1% school district tax. The maximum tax applies to the sale or lease of motor vehicles, airplanes, boats, motorcycles, trailers or semi-trailers pulled by truck tractors, horse trailers, recreational vehicles and self-propelled light construction equipment. The \$300 maximum tax also applies to the sale of musical instruments and office equipment to religious organizations.

If you have questions about how to report your sales, please call the Florence Taxpayer Service Center of the Department of Revenue at (843) 661-4850 or the Sales Tax Section in Columbia at (803) 898-5788.