

## ESSENTIAL INFORMATION FOR ST-3EZ (10/10/07)

Please read carefully and keep this information in a convenient place for future reference.

### INTRODUCTION

The South Carolina Department of Revenue is offering taxpayers an opportunity to report their taxes on Form ST-3EZ, if applicable.

When completing Form ST-3EZ, be sure to indicate the information listed below or other identifying information (social security number).

- Business Name
- Address
- Retail License Number or Purchaser's Certificate (Use Tax Registration)
- Federal Employer Identification Number
- Period covered

### FILING REQUIREMENTS

If you have a retail license or use tax registration, you are required to file a tax return even if there is no tax due for the period.

### FORMS TO FILE

You are required to file a Form ST-3 to report any sales and use tax due in this state. However, the Form ST-3EZ offers an easier method to file.

The Form ST-3EZ should not be used, if:

- Local taxes are applicable to your sales or purchases
- You have sales of unprepared food
- You have sales or purchases for a filing period subject to the 5% sales or use tax rate

When reporting sales and use tax for a filing period required to be reported at the 5% tax rate, you should review the ST-455 form and Instructions.

### WHEN TO FILE

Sales and use tax returns are due on or before the twentieth (20th) day of the month following the close of the period covered. You must file a tax return for every tax reporting period, even if no tax is due for the period. To file your zero gross sales return by phone call 1-803-898-5918. This will keep your account current and prevent your receiving delinquent notices.

For example:

#### Monthly filers:

- January reporting period received/postmarked return no later than February 20.
- February reporting period received/postmarked return no later than March 20.
- March reporting period received/postmarked return no later than April 20, etc.
- December reporting period received/postmarked no later than January 20 (of the next year).

**Note: To file quarterly, annual, or seasonal contact SC DOR for approval (803) 896-1420.**

#### Quarterly Filers:

- First Quarter (January, February, March) reporting period - received/postmarked no later than April 20
- Second Quarter (April, May, June) reporting period - received/postmarked no later than July 20
- Third Quarter (July, August, September) reporting period - received/postmarked no later than October 20

- Fourth Quarter (October, November, and December) reporting period - received/postmarked no later than January 20 (of the next year)

#### Annual Filers: (Sales for the entire year)

The December return must be received/postmarked no later than January 20 (of the next year).

**Seasonal Filers:** Seasonal filers are required to file returns only for those months scheduled to be reported. Returns must be received/postmarked no later than the 20th of the next month.

**If the return is not filed and/or any taxes due are not paid by the twentieth day of the month due, no taxpayer discount will be allowed, and the return is considered delinquent; applicable penalties and interest must be calculated and paid, or an assessment will be issued.**

**LOCAL TAX FILING NOTICE:** If your business is located in a county that is imposing a local tax in addition to the 6% Sales and Use Tax, Form ST-389 must be filed with Form ST-3 even if the local tax due is zero. The zero **must be placed** beside the appropriate county/municipality code on Form ST-389. For more detailed information, visit our website at [www.sctax.org](http://www.sctax.org)

### CHANGE IN OWNERSHIP

Any change in ownership will require a new owner to complete a Business Tax Application, Form SCTC-111 and remit the appropriate fee.

### CHANGE OF LOCATION

Any change of location will require written notification to be sent to the Department of Revenue by submitting Form SC8822 or visit our website: [www.sctax.org](http://www.sctax.org)>DORBOS.

### CLOSING YOUR BUSINESS

When closing or selling your business you are required by South Carolina law to **return your Sales and Use Tax license** to the South Carolina Department of Revenue indicating the date of closing. You must file all returns and pay all taxes due. Complete Form C-278 when closing your business. If you sell your business, the new owner will not be issued a new license until taxes due for that location have been paid.

### CLAIM A REFUND (ST-14): NO CREDITS

If you have overpaid your sales/use tax on your return, you should file a claim for refund in the form of a letter or by using the form ST-14, Claim for Refund, and file amended (corrected) figures for the periods requested. **Do not take a credit on the sales and use tax return for any overpayments.** The claim for refund should specify: the name, address, and telephone number of the taxpayer or contact person; the appropriate taxpayer identification number(s); the tax period or date for which the tax was paid; the nature and kind of tax paid; the amount which is claimed as erroneously paid; a statement of facts and documentation supporting the refund position; a statement outlining the reasons for the claim, including any law or other authority upon which you rely; and, any other relevant information that the Department may reasonably require.

# INFORMATION FOR SAMPLE RETURN AND WORKSHEET FOR FORMS ST-3EZ

CAROLINIANA GROCERY & CONVENIENCE STORE  
125 CAROLINA DRIVE  
ALL AMERICA, USA 99999-9999  
RETAIL LICENSE NO.: 047-12345-6 (LOCATION: COUNTY WITHOUT 1% LOCAL TAX)  
FEI/SSN: 12-3456789

## SALES AND PURCHASES FOR AUGUST 2008

Total Gross Proceeds of Sales		\$74,000.00
Out-Of-State Purchases Subject to Use Tax		<u>3,000.00</u>
	TOTAL	77,000.00

## SUMMARY OF EXEMPT SALES

NON-TAXABLE SALES		
Sales for Resale		\$30,000.00
Sales to Federal Government		9,000.00
Sales Exempt During "Sales Tax Holiday"		<u>1,000.00</u>
	TOTAL	40,000.00

# STEP-BY-STEP INSTRUCTIONS FOR ST-3EZ

Rev. 10/10/07



Please read this section before completing your form.

If you have a retail license or use tax registration, you are **required to file** a tax return **even** if there is **NO TAX DUE** for the period. To file your zero gross sales return by phone call 1-803-898-5918.

WHEN FILING "NO SALES" RETURNS, please enter **zeroes** on lines 1 and 3 only on the ST-3EZ.

**COMPLETE THE SALES AND USE TAX WORKSHEET ON THE FRONT OF THE ST-3EZ BEFORE MAKING ENTRIES ON LINES 1 THROUGH 8.**

**IMPORTANT:** If it is determined that no entry is needed on a line (other than lines 1 and 3), PLEASE LEAVE LINE BLANK. Do not write on the lines that do not pertain to you.

All entries must be typed or hand printed. If using a **non-preprinted form**, see the introduction section under **Essential Information** for instructions.

## STEP 1

## COMPLETING THE SALES AND USE TAX WORKSHEET

### PART II

1. Gross Proceeds of Sales/Rentals, Withdrawals of Inventory for Own Use	1. _____	74,000.00
2. Out-of-State Purchases Subject to Use Tax	2. _____	3,000.00
3. Total (Add lines 1 and 2. Enter here and on line 1 of Part I.)	3. _____	77,000.00
4. Sales and Use Tax Allowable Deductions (Itemize by Type of Deduction and Amount of Deduction)		
Column A Type of Deduction	Column B Amount of Deduction	
Sales Exempt During "Sales Tax Holiday" _____	▶ \$ _____	1,000.00
Sales for Resale _____	\$ _____	30,000.00
Sales to Federal Government _____	\$ _____	9,000.00
5. Total Amount of Deductions (Total Column B, enter here and on line 2, Part I)	5. <	40,000.00 >

**SAMPLE**

### SALES AND USE TAX WORKSHEET INSTRUCTIONS LINES 1 through 5

#### Line 1: Gross Proceeds of Sales/Rentals, Withdrawals of Inventory for Own Use

Enter the total amount of all sales (taxable and nontaxable), leases and/or rentals of tangible personal property made by the business for the reporting period. Nontaxable sales are itemized on line 4 and deducted on line 5. **DO NOT INCLUDE THE AMOUNT OF SALES TAX COLLECTED.**

You must also report purchases of tangible personal property (merchandise, equipment, etc.) purchased tax free at wholesale, but used by you and/or your employees. When purchasing merchandise out-of-state, there may be circumstances when additional tax is due. To determine if you owe additional tax, contact the South Carolina Department of Revenue. (803) 898-5788

#### Line 2: Out-of-State Purchases Subject to Use Tax

Enter the total purchases of tangible personal property purchased from an out-of-state retailer who did not collect South Carolina use tax. If the tax rate in your county is greater than the tax rate paid out-of-state, contact SCDOR for additional information.

#### Line 3: Total

Add lines 1 and 2. Enter total here and on Line 1, of Part I on ST-3EZ.

#### Line 4: Sales and Use Allowable Deductions

To claim a deduction relating to a sale, the sales transaction must be reported on line 1 or 2 of this worksheet. Enter the type of deduction (see list on next page) in Column A and the dollar amount of the sale in Column B. South Carolina law

provides for a deduction from gross proceeds of sales those items specifically exempt from tax. The list below is used to identify some of the items to be shown as a deduction. Any amount claimed as a deduction on your return must be itemized in Column A and B of this worksheet. You are required to maintain records that will support all deductions claimed on this return. A further explanation of deductions is available by obtaining a copy of the South Carolina Sales and Use Tax Code of Laws by contacting the Department's Main Office, the Taxpayer Service Centers or visit our website: [www.sctax.org](http://www.sctax.org)

**Examples of Allowable Deductions:** (Not all inclusive)

- |   |   |
|---|---|
| Sales for resale                                  | Installation charges (separately stated on invoice)                                   |
| Out-of-state sales                                | Trade-ins   |
| Exempt sales to:                                  | Excess over tax cap   |
| Manufactures                                      | Manufactured Home (35% of exemptions)   |
| Agriculture                                       | Food purchased with food stamps   |
| Federal Government                                | Sales Tax Holiday exempt sales  |
| Medicine and prosthetic devices (by prescription) | 1% tax reduction for purchases made by individuals age 85 and older for their own use |
| Diabetic Supplies (by written authorization)      | <b>NOTE:</b> This 1% tax reduction does not apply to local tax calculation.           |
| Gasoline sales                                    |   |

**Line 5: Total Amount of Deductions** (Total Column B and enter on line 2, Part I)

**STEP 2    ST-3EZ    -    Calculation of 6% Sales and Use Tax**

**PART I -    SAMPLE SALES AND USE TAX INSTRUCTIONS**

**SALES AND USE TAX**

1. Gross Proceeds of Sales, Rentals, Use Tax and Withdrawals for Own Use (From line 3 of Sales and Use Tax Worksheet).....	1 ▶	77000.00
2. Total Amount of Deductions (From line 5 of Sales and Use Tax Worksheet).....	2 ▶	40000.00
3. Net Taxable Sales (Line 1 minus line 2).....	3 ▶	37000.00
4. Tax (Line 3 x 6% (.06)).....	4	2220.00
5. Taxpayer's Discount (See reverse side.).....	5 ▶	44.40
6. Sales and Use Tax Net Amount Payable (Line 4 minus line 5).....	6 ▶	2175.60
7. Penalty _____, Interest _____ (Add Sales and Use Tax penalty and interest. Enter total on line 7 at right.)	7 ▶	.
8. Total Sales and Use Tax Due (Add lines 6 and 7).....	8	2175.60

**IMPORTANT:** If it is determined that no entry is needed on a line, **PLEASE LEAVE LINE BLANK.** Do not write on the lines that do not pertain to you.

**Line 1 Gross Proceeds of Sales:** Enter the gross proceeds of sales, rentals, use tax and withdrawals for own use. Enter the total from Part II, line 3 of your worksheet. Do **not** include sales tax collected in this amount.

**Line 2 Total Amount of Deductions:** Enter the total amount of deductions from line 5 of your worksheet.

**Line 3 Net Taxable Sales:** Subtract line 2 from line 1.

**Line 4 Tax** Multiply line 3 x 6% (.06).

**Line 5 Taxpayer's Discount:** A taxpayer's discount may be claimed when the return is filed and the tax due is paid in full on or before the due date of the return. **No discount** is allowed if the return **or** payment is received after the due date. The discount is computed as follows:

If your tax liability (line 4, ST-3EZ) is less than \$100.00, the discount rate is 3% (.03) of line 4. If the total is \$100.00 or more, the discount rate is 2% (.02) of line 4. Deduct this amount from line 4.

**Note:** Discounts are not allowed to exceed \$3,000.00 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000.00 maximum includes the total discounts for sales/use and local taxes. Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount.

The discount amount is \$10,000 for out-of-state retailers who cannot be required to register for sales and use tax but who voluntarily register to collect and remit the tax. However you must receive prior approval from the Department of Revenue for the \$10,000 discount.

**Line 6 Sales and Use Tax Net Amount Payable:** Line 4 minus 5.

**Line 7 Penalty and Interest:** Enter the total of Penalty and Interest, from calculations below or visit our website: [www.sctax.org](http://www.sctax.org) and click on **Penalty and Interest Calculator**

**PENALTY FOR FAILURE TO FILE A RETURN:** Five percent (.05) of the amount of tax due (from line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed twenty-five percent (.25) of the amount of tax due.

**PENALTY FOR FAILURE TO PAY TAX DUE:** The penalty is one-half of one percent (.005) of the amount of tax due (the total of line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed a total of twenty-five percent (.25) of the amount of tax due. The penalty for failure to file and pay must be combined and entered as a total on line 7.

**INTEREST:** Interest is assessed in accordance with Sections 6621 and 6622 of the Internal Revenue Code. Rates are based on the prime rate, subject to change quarterly and are compounded daily.

**Line 8 Total Sales and Use Tax:** Enter the total of lines 6 and 7.

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<b>STEP 3</b>	<b>ST-3EZ - SIGNATURE</b>
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Sign and date your return on the ST-3EZ.

**DON'T FORGET** — Returns are past due after the 20th of the month.

If you are not using preprinted forms and it is necessary to use blank forms, be sure to include your social security number or Federal Employer Identification number in the label section.

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### REMITTANCE (CHECKS)

1. Checks must be made payable to: SC DEPARTMENT OF REVENUE
2. Verify the dollar and written amount of the check.
3. Indicate type of tax and retail license number on the check.
4. Complete signature must be provided.
5. Return and check must be mailed in the same envelope.

Your Name Your Address Any town, State Zip			_____ 20 ____
SAMPLE			
Pay to _____	①		\$ _____
_____	②		Dollars
FOR _____	③	_____	④
123456789	123456	1234	

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### Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-201 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

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### The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.