

STEP-BY-STEP INSTRUCTIONS FOR ST-3/ST-389

(Rev. 6/1/07)



Please read this section before completing your form.

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

If you have a retail license or a use tax registration, you are **required to file** a tax return **even if there is NO TAX DUE** for the period. For zero returns, see Business Tax Telefile instructions.

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

COMPLETE THE SALES AND USE TAX WORKSHEET ON THE BACK OF THE ST-3 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.

STEP 1 COMPLETING THE SALES AND USE TAX WORKSHEET

- | | |
|---|------------------|
| 1. Gross Proceeds of Sales/Rentals and Withdrawals of Inventory for Own Use | 1. <u>74,000</u> |
| 2. Out-of-State Purchases Subject to Use Tax | 2. <u>3,000</u> |
| 3. Total (Add lines 1 and 2. Enter here and on line 1 on front of return.) | 3. <u>77,000</u> |

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
a. *Sales Exempt During "Sales Tax Holiday"	▶ \$ _____
b. **Sales over \$100.00 delivered onto Catawba Reservation	\$ _____
c. Sales for Resale	\$ <u>30,000</u>
d. Sales to Federal Government	\$ <u>10,300</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

SAMPLE

- | | |
|--|----------------------|
| 5. Total Amount of Deductions (Total Column B. Enter here and on line 2 on front of return.) | 5. < <u>40,300</u> > |
| 6. Subtotal (Line 3 minus line 5)
If local tax and/or tax on food is applicable, enter this amount on line 1 of ST-389 Worksheet. | 6. <u>36,700</u> |
| 7. Unprepared Food Sales (Taxed at 3%) Enter amount here and in section 5 of the ST-389.
*Please see new information on front inside cover. | 7. < <u>5,000</u> > |
| 8. Total Deductions and Subtractions (Add lines 5 and 7. Enter total here on line 2 on front of return.) | 8. <u>45,300</u> |
| 9. Net Sales and Purchases (Line 3 minus line 8 should agree with line 3 of ST-3.) | 9. <u>31,700</u> |

SALES AND USE TAX WORKSHEET INSTRUCTIONS LINES 1 through 6

Line 1: Gross Proceeds of Sales/Rentals and 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 to be 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 (SCDOR).

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 country 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 on the front of ST-3.

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 below) in Column A and the dollar amount of the sale in Column B. South Carolina law provides for a deduction from

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>Law and Policy**

Examples of Allowable Deductions: (Not all inclusive)

- Sales for resale
- Out-of-state sales
- Exemptions:
 - Manufacturing
 - Agriculture
 - Federal Government
 - Medicine and prosthetic devices (by prescription)
 - Diabetic Supplies (by written authorization)
 - Gasoline sales
- Installation charges (separately state on invoice)

- Trade-ins
- Excess over tax cap
- Modular Home (50% of modular home sales)
- Food purchased with food stamps
- Sales Tax Holiday exempt sales
- 1% tax reduction for purchases made by individuals age 85 and older for their own use

NOTE: This 1% tax reduction does not apply to local tax calculation.

Line 5: Total Amount of Deductions (Total Column B. Enter here on front of return)

Line 8: Add lines 5 and 7 (Enter total here and line 2 on front of return.)

Line 6: Subtotal (Line 3 minus line 5)

Line 9: Net Sales and Purchases (Line 3 minus line 8.)

Line 7: Food Sales (Enter amount of unprepared food sold here and in section 5 of ST-389.)

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

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 on reverse side)	▶ 1	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td></tr> </table>				7	7	0	0	0	0	.	0	0	
			7	7	0	0	0	0	.	0	0				
2. Total Amount of Deductions (From line 8 of Sales and Use Tax Worksheet)	2	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">4</td><td style="width: 20px; height: 20px;">5</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td></tr> </table>				4	5	3	0	0	0	.	0	0	
			4	5	3	0	0	0	.	0	0				
3. Net Taxable Sales (Line 1 minus line 2)	▶ 3	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">7</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td></tr> </table>				3	1	7	0	0	0	.	0	0	
			3	1	7	0	0	0	.	0	0				
4. Tax (Line 3 x 6% (.06))	4	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">9</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">2</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">0</td></tr> </table>				1	9	0	2	.	0	0			
			1	9	0	2	.	0	0						
5. Taxpayer's Discount (For timely filed returns only) If your combined tax liability is less than \$100.00, the discount rate is 3% (.03) of line 4. If the total is \$100.00 or more, the discount is 2% (.02) of line 4. (Combined Discount cannot exceed \$3000.00 per fiscal year, returns for June through May, which are filed July through June.)	▶ 5	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">8</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">0</td><td style="width: 20px; height: 20px;">4</td></tr> </table>									3	8	.	0	4
								3	8	.	0	4			
6. Sales and Use Tax Net Amount Payable (Line 4 minus line 5)	▶ 6	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">8</td><td style="width: 20px; height: 20px;">6</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">9</td><td style="width: 20px; height: 20px;">6</td></tr> </table>				1	8	6	3	.	9	6	14-4701 14-4702		
			1	8	6	3	.	9	6						
7. Penalty _____, Interest _____ (Add Sales and Use Tax penalty and interest. Enter total on line 7 at right.)	▶ 7	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td></tr> </table>										.			
									.						
OFFICE USE ONLY: _____															
8. Total Sales and Use Tax Due (Add lines 6 and 7)	8	<table border="1" style="border-collapse: collapse; text-align: center;"> <tr><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;"> </td><td style="width: 20px; height: 20px;">1</td><td style="width: 20px; height: 20px;">8</td><td style="width: 20px; height: 20px;">6</td><td style="width: 20px; height: 20px;">3</td><td style="width: 20px; height: 20px;">.</td><td style="width: 20px; height: 20px;">9</td><td style="width: 20px; height: 20px;">6</td></tr> </table>				1	8	6	3	.	9	6			
			1	8	6	3	.	9	6						

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 of Inventory for own use. Enter the total from 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 8 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 combined tax liability (line 4, ST-3 and line 2, Column B last page of ST-389) is less than \$100, the discount rate is 3% (.03) of line 4. If the total is \$100 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 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 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 and click on **P and I Calculator** (under Taxes and Licenses).

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.

STEP 3 ST-389 - COMPLETING THE LOCAL TAX WORKSHEET

WOULD LOCAL TAX APPLY AND IS THIS FORM APPLICABLE?

Only complete ST-389 worksheet if one of the following applies:

- Your business is located in a county that imposes a local tax, even if the local tax due is zero.
- Your business delivers to county with local tax, regardless of whether your business is or is not located in a county that imposes a local tax.
- Your business makes sales of unprepared food items.

 If this does not apply, go to **STEP 8**.

SAMPLE ST-389 WORKSHEET (from the back of form ST-389)

Local Taxes

1. Net Sales and Purchases		1. <u>36,700.00</u>
<ul style="list-style-type: none"> ● From line 6 of ST-3 Worksheet ● From lines 9 and 18 of ST-388 Worksheets ● From lines 6 and 12 of ST-403 Worksheets ● From lines 9 and 18 of ST-455 Worksheets 		
2. Catawba Tribal Sales (Enter line 4b deductions of Sales and Use Tax Worksheet.)		2. _____
3. Total Sales and Purchases (Add lines 1 and 2.)		3. <u>36,700.00</u>
4. Local Tax Allowable Deductions		
Column A	Column B	
Type of Deduction	Amount of Deduction	
a. Catawba Sales less than \$100.00	\$ _____	
b. Sales Not Subject to Local Tax	\$ <u>17,300.00</u>	
_____	\$ _____	
5. Total Allowable Deductions (Total Column B)		5. <u>17,300.00</u>
6. Total Net Taxable Local Sales (Line 3 minus line 5.)		6. <u>19,400.00</u>
Should agree with ST-389, Page 3, line 1, column A.		
Note: When your sales, purchases and withdrawals are made or delivered into a locality with more than one local tax, the total on form ST-389 will not agree with line 6.		

SAMPLE

LOCAL TAX WORKSHEET INSTRUCTIONS

Complete this section of the return if you sold, purchased or delivered property for use in a county with a local tax.

This worksheet is to assist you in determining the proper amount required to be allocated on Form ST-389.

Line 1 Net Sales and Purchases:

Enter amount from line 6 of sales and use tax worksheet.

Line 2. Catawba Tribal Sales:(Enter line 4b deductions of Sales and Use Tax Worksheet.)

The tribal sales tax is required to be reported on the ST-389 form only.

Line 3. Total Sales and Purchases: (Add lines 1 and 2)

Line 4. Local Tax Allowable Deductions:

Enter those sales that are not subject to local taxes or a tribal sales tax. All deductions should be itemized under column A, with the deduction amount shown in column B.

Certain transactions are taxable for the state's 6% (effective June 1, 2007) Sales and Use Tax, but are exempt from SC local sales and use tax.

Some examples are:

- Deliveries to counties without local tax
- Quarterly and annual filers remitting tax on the first reporting period after the implementation date may use the worksheet to calculate the amounts not subject to the local tax
- Taxable portion of all sales which fall under the \$300 maximum tax. (i.e. automobiles, mobile homes, etc.)

This is not a complete listing of Local Tax exemptions. You may contact the South Carolina Department of Revenue at (803) 898-5788 for additional information, if you have questions regarding these exemptions.

Enter the total allowable deductions from Column B on line 4.

Line 5 Total Deductions from Column B of Worksheet (Total of column B from all pages)

Line 6 Total Net Taxable Local Sales: (Subtract line 5 from line 3)

Total should agree with Column A, line 1, last page of ST-389.

Note: If your sales, purchases and withdrawals are used or delivered in a county with more than one local tax, the taxable amount on line 1, last page of ST-389 may not agree with net taxable local sales.

INSTRUCTIONS FOR COMPLETING FORM ST-389, pages 1 and 2

The new Form ST-389 is a three part form with Capital Projects, and School District taxes reported on **page 1**; Transportation, Catawba and Sales Tax on Food reported on **page 2**. The names and codes for these taxes are preprinted only on pages 1 and 2. Local Option taxes are required to be reported on **page 3**. Use only the codes listed on Form ST-389.

Use instructions below to complete Columns A, B, C, and D for special local taxes listed on pages 1 and 2.

STEP 4 ST-389 - CALCULATING LOCAL TAX

ILLUSTRATION A:

1. CAPITAL PROJECT TAX			34-2726	(A)	(B)	(C)	(D)
For Office Use Only	Name of County or Jurisdiction	Code	Net Taxable Amount	Tax	Discount	Net Amount After Discount	
	AIKEN	1002	3,500.00 x 1% =	35.00	.70	34.30	
	YORK	1046	x 1% =	-	-		
	NEWBERRY	1036	x 1% =	-	-		
	ORANGEBURG	1038	x 1% =	-	-		

2. SCHOOL DISTRICT TAX			34-2730	(A)	(B)	(C)	(D)
For Office Use Only	Name of County or Jurisdiction	Code	Net Taxable Amount	Tax	Discount	Net Amount After Discount	
	CHEROKEE	5111	400.00 x 1% =	4.00	.08	3.92	
	CHESTERFIELD	5131	x 1% =	-	-		
	CLARENDON	5140	x 1% =	-	-		
	DARLINGTON	5161	x 1% =	-	-		
	JASPER	5271	x 1% =	-	-		
	LEXINGTON	5320	x 1% =	-	-		

Column A Taxable Sales and Purchases: Enter net taxable sales or purchases made for each county or jurisdiction. The example on page 15 shows (Illustration A) Charleston retailer with his sales delivered in the counties of Aiken and Cherokee. The retailer also has sales delivered in other counties, such as, Fairfield and Richland (municipality of Blythewood) counties in addition to sales in Charleston County. It is important to note that all applicable taxes of each county should be listed on the ST-389 under the proper tax types required to be reported for that particular county.

Do not take credits on this form. (See ST-14: Claim for Refund section located in this booklet under Essential Information page).

Column B Tax: Multiply Column A by the applicable tax rate and enter results in Column B for each county or jurisdiction. For purposes of the example provided, Aiken County sales are subject to a 1% Capital Projects Tax and Cherokee County sales are subject to 1% School District Sales and Use tax (reported on page 1 of ST-389). This example, also, illustrates sales in Charleston County which is subject to two local taxes (Transportation and Local Option). Each tax type is required to be reported separately on the ST-389. The ½% Transportation tax is reported on Page 2 (See Illustration B) and the 1% Local Option is reported on page 3, ST-389 form (See Illustration C).

Column C Discount: A taxpayer discount may be claimed when the return is filed and tax 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 by multiplying the tax amount of Column B by the applicable discount rate (Column B x Discount Rate).

Note: Discounts are not allowed to exceed \$3,000 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 maximum includes the total discounts for sales /use and local tax. 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.

Column D Net Amount After Discount: (Column B minus Column C) Enter total in Column D for each applicable tax to be reported.

ILLUSTRATION B:

3. TRANSPORTATION TAX		34-2728	(A)	(B)	(C)	(D)	
_____	CHARLESTON	1010	12,000.00	x .005 =	60.00 -	.120 =	58.80
_____	DORCHESTER	1018		x 1% =	-	=	

Name of County or Jurisdiction: Column A of page 19 is used to identify a particular county or municipality where delivery takes place in a county with a local option tax. If your business reports a local option tax for a county, you must use the municipality or county name and code that shows the location where the property is delivered within the county. A list of counties with their municipality names and codes can be found on the reverse side of Form ST-389. Enter the name of the county or municipality and its code based upon sales or deliveries within a particular location or municipality. For Charleston County the proper tax types would be Transportation and Local Option tax.

For purposes of this example, illustration D shows Charleston County retailer reporting sales subject to a 1% Local Option tax for municipalities of Hollywood and North Charleston on page 3 and illustration B shows the half percent (.005) Transportation on page 2. Other Local Option locations reported shows Fairfield County, and Blythewood (municipality in Richland County).

If additional lines are needed, use the ST-389 A (Addendum) located in your booklet and our website (www.sctax.org). **ONLY ONE ENTRY PER LINE IS ALLOWED.**

STEP 5

ST-389 - CALCULATING TAX ON UNPREPARED FOOD

ILLUSTRATION C:

5. 3% SALES TAX ON UNPREPARED FOOD		(A)	(B)	(C)	(D)
STATEWIDE	0000	5,000.00	x 3% = 150.00	- 3.00	= 147.00

Would Food Tax Apply?

Effective October 1, 2006, a 3% sales tax rate on certain food items (unprepared food which lawfully may be purchased with USDA Food Coupons) went into effect. See New Information on front inside cover for additional information. If you do not have sales of these food items, go to **STEP 6**.

Column A: Net Taxable: Enter food sales in section 5, column A.

Column B: Tax: Multiply section 5, Column A x 3% (.03).

Column C: Taxpayer Discount: Column B x Applicable Discount Rate.

The discount rate is determined as follows:

If your combined tax liability (line 4, ST-3 and line 2, Column B last page of ST-389) is less than \$100, the discount rate is 3% (.03). If the total is \$100 or more, the discount rate is 2% (.02)

Column D: Net amount After Discount: Column B minus Column C.

STEP 6

ST-389 - CALCULATING LOCAL OPTION TAX

ILLUSTRATION D:

6. LOCAL OPTION TAX	34-2721	(A)	(B)	(C)	(D)	
For Office Use Only	Name of County or Jurisdiction	Code (See back of form)	Net Taxable Amount	Tax	Discount	Net Amount After Discount
	BLYTHEWOOD	2075	3,200.00 x 1% =	32.00	.64	31.36
	FAIRFIELD	1020	300.00 x 1% =	3.00	.06	2.94
	HOLLYWOOD	2420	7,000.00 x 1% =	70.00	1.40	68.60
	N CHARLESTON	2656	5,000.00 x 1% =	50.00	1.00	49.00

1. Total Column A from pages 1, 2, 3 and all ST389-A's. 1	▶	36,400.00			
2. Total Column B from pages 1, 2, 3 and all ST389-A's.			404.00		
3. Total Column D from pages 1, 2, 3 and all ST389-A's.				3	▶ 395.92
4. Penalty _____ Interest _____ (Add Local Tax Penalty and Interest)				4	▶ _____
5. Total (Add lines 3 and 4) Enter amount on line 9, ST-3 or line 17, ST-388 or ST-403. 5					▶ 395.92

INSTRUCTIONS FOR COMPLETING LOCAL OPTION PORTION OF FORM ST-389, Page 3

Local Option taxes are to be reported on **page three of the ST-389 and if applicable, ST-389-A.**

Code: Enter the code for the named county or municipality based upon codes identified on the back of the Form ST-389. Use instructions below to complete Columns A, B, C, and D for Local Option Tax.

Column A - Net Taxable Amount: Enter net taxable sales or purchases made for each county or municipality. Credits are not allowed to be taken on this form. (See Claim for Refund section located in this booklet under Essential Information page).

Column B - Local Tax: Multiply Column A by 1% (.01) and enter results in Column B for each county or municipality.

Column C - 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:

Column B times Discount Rate (Use the same discount rate as used on line 5 of form ST-3).

Note: Discounts are not allowed to exceed \$3,000 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 maximum includes the total discounts for sales /use and local tax. 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.

Column D - Net Amount After Discount: Column B minus Column C.

Line 1: Enter total of all net taxable sales listed in Column A of the ST-389 and ST-389-A if applicable, on line 1 on bottom of page 3. Be sure to include total of all entries from all pages. For additional entries, reproductions of page 3 are permissible or you may reproduce ST-389-A located in the back of the booklet.

Line 2: Add all local taxes due and enter total of Column B, on line 2 of last page.

Line 3: Add all net amounts in Column D.

Line 4: Enter the total of Penalty and Interest, from calculations below or visit our website: www.sctax.org

PENALTY FOR FAILURE TO FILE A RETURN: Five percent (.05) of the amount of local tax due (on line 2) 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 local tax due (on line 2) 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 4.

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 5: Add lines 3 and 4. Enter the total of Column D from line 5 on ST-3 line 9.

Make a copy of the completed Form ST-389 for your records.

Reminder: All pages of Form ST-389 must be attached to appropriate state form.

STEP 7**ST-3 - ENTERING TAX FROM ST-389**

LOCAL TAX

REMINDER: ST-389 must be completed and attached for all additional taxes.

If this section does not apply, go to line 10.

9. Total Taxes Due (From Column D, line 5, last page of form ST-389)

9 3 9 5 . 9 2

STEP 8**ST-3 - DETERMINE TOTAL AMOUNT DUE**

10. TOTAL AMOUNT DUE (Add lines 8 and 9)

10 2 2 5 9 . 8 8

STEP 9**ST-3 - SIGNATURE**

Sign and date your return on the ST-3.

DON'T FORGET — Returns are past due if postmarked 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 space provided on the form.