

IMPORTANT NOTICE
Effective January 1, 2004

TO: Retailers Making Sales to Locations on the Catawba Indian Reservation

FROM: South Carolina Department of Revenue

RE: Collection and Reporting of Catawba Tribal Sales Tax

Effective Thursday, January 1, 2004, all sales made onto the Catawba Indian Reservation will be subject to either a Catawba Tribal Sales Tax (Tribal Sales Tax) or State Sales Tax. The Catawba Tribal Sales Tax rate is based on the total of the state tax rate and counties local tax rate for the portions of the reservation located in Lancaster or York County. Currently, the combined sales tax rate for either Lancaster or York County is six percent (6%).

According to the Catawba Indian Claims Settlement Act, the State Sales Tax or Tribal Sales and Use Tax is imposed on deliveries of tangible personal property on or onto the Catawba Indian Reservation based upon the point of delivery. To illustrate the type of tax and its tax rate based upon the various points of delivery, listed below are the following:

1) Retail locations on the reservation making a sale(delivery) on the reservation:

The Tribal Sales Tax is imposed at the rate of 6% on deliveries of tangible personal property, regardless of the amount of the sale.

2) Retail locations within SC located off the reservation making a sale (delivery) on the reservation:

- A)** Retailer making a sale (delivery) onto the reservation greater than \$100, the Tribal Sales Tax is imposed at the rate of 6%.
- B)** Retailer making a sale (delivery) onto the reservation of a \$100 or less, the 5% State Sales Tax applies to the sale (local taxes are not applicable).

3) Retail locations located outside SC making a sale on the reservation:

- A)** Retailers register with the Department of Revenue making a sale on the reservation, the 5% State Sales Tax applies to the sale (local taxes are not applicable).
- B)** Retailers not register with the Department of Revenue making a sale on the reservation; the sale is subject to a Tribal Use Tax, which is collected from the purchaser by the tribe directly.

To properly report sales subject to the Tribal Sales Tax, your sales must be:

- Included with all other sales in gross proceeds on Line 1 of the sales tax return worksheet (reverse side of ST-3 return).
- Deducted on Line 4 of the ST-3 worksheet and
- Added to Line 2 on the ST-389 local tax worksheet

Upon completing the above steps, the tax must be calculated on Page 2 of the ST-389 schedule under the listing Catawba Tribal Tax. Remember, this method of reporting the Tribal Sales Tax only applies to:

- The delivery of tangible personal property onto the reservation by retail locations in South Carolina when the sale is greater than \$100, or
- Retail locations on the reservation, making deliveries on the reservation.

Please note that individual sales onto the reservation which are not subject to a Tribal Sales Tax would not be deducted in this manner.

If you have any questions, you may call or visit your local Taxpayer Service Center at:

CHARLESTON	3 Southpark Circle, Ste 202	(843) 852-3600
COLUMBIA	301 Gervais Street	(803) 898-5788
FLORENCE	1452 West Evans St.	(843) 661-4850
GREENVILLE	211 Century Drive	(864) 241-1200
ROCK HILL	454 S. Anderson Rd, Suite 202	(803) 324-7641

For further information, you may visit our website, www.sctax.org, and read Revenue Ruling # 98-18.