

Small Business Tax Workshop Manual



**A General Tax Guide for
Starting a Small Business
In South Carolina**

SC Department of Revenue

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It is not authority, and may not be cited as such.**

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Starting a Small Business in South Carolina

If you are starting a new business or just thinking about it, you will want to know more about your tax obligations. This publication is intended to give you some basic information about South Carolina's tax laws and how you, as a business owner, are affected. The South Carolina Department of Revenue wants to help your business succeed. We have offices in six cities throughout the state and we invite you to drop in to discuss your business tax requirements. If you prefer to do research from your desktop, visit South Carolina Business One Stop (SCBOS) at www.scbos.com to start your new business in South Carolina.

Forms of Business Organization

There are several forms of business organizations from which you may choose for your new business. Before deciding which form is best for your business, you may want to consult a tax adviser. The most common forms for business organizations are:

Sole proprietorship

A sole proprietorship is a business that is owned by an individual who is responsible for all aspects of the business. The owner is personally responsible for all debts of the business, even in excess of the amount invested in the business.

Partnership

A partnership is a legal entity that is jointly owned by two or more people. As in the sole proprietorship, the partners or owners may be personally responsible for all debts of the business, even those in excess of the amount invested in the business.

Corporation

A corporation is a business that is formed and authorized by law to act as a single person and is legally endowed with rights and responsibilities.

Limited Liability Company

A limited liability company (LLC) is an unincorporated business association that provides its owners (members) limited liability and flexible management and financial alternatives. An LLC usually provides the favorable pass-through tax treatment of partnerships and the limited personal liability of corporations.



What is South Carolina Business One Stop (SCBOS)?

SCBOS has four major offerings:

1. It is an informational website. It connects businesses by links to the multiple government and private websites for tax and registration information, license requirements, workshops, new legislation and tutorials on how to use the site.
2. It uses a single sign-on authentication and authorization for business electronic commerce with SCDOR and other state agencies, like the Secretary of State.
3. It is a wizard-driven workflow and interactive registration for licenses, permits and/or registrations with five state agencies.
4. It utilizes a central payment engine to accept Visa, MasterCard, debit cards, and electronic funds withdrawals.

What can you do using SCBOS?

Secretary of State

- *Reserve/Register/Adopt Names* Reserve Limited Liability Company Name
- Reserve Non-Profit Corporate Name
- Reserve Corporate Name
- Register Foreign Corporation Name
- Register Foreign Limited Liability Company Name
- Adopt Fictitious Name (for a foreign entity registering in SC and the entity name is being used by an in state entity)

Establish Business Entity

- Articles of Incorporation - Corporation
- Articles of Incorporation - Statutory Close Corporation
- Articles of Incorporation - Professional Corporation
- Articles of Incorporation - Non-Profit Corporation
- Articles of Organization Limited Liability Company
- Limited Liability Partnership Registration
- Certificate of Limited Partnership
- Certificate of Authority – Corporation
- Certificate of Authority - Non-Profit Corporation
- Certificate of Authority - Limited Liability Company
- Certificate of Authority - Limited Liability Partnership
- Foreign Limited Partnership Registration
- Unincorporated Association
- Charitable Organizations

Submit filings to to inform Secretary of State about changes to your business

- Articles of Amendment – Domestic & Foreign Corporations
- Articles of Amendment – Domestic Non-Profit Corporations
- Amended Articles of Organization – Domestic LLC

- Articles of Dissolution – Domestic Corporations
 - Renewal Application – Domestic LLP
 - Resignation of Registered Agent and Discontinuance of Registered Office
- Domestic & Foreign Corporations
- Notice of Change of Registered Office or Registered Agent - Domestic & Foreign Corporations
 - Notice of Change of Designated Office, Agent for Service of Process, or Address of Agent - Domestic & Foreign LLC's
 - Notice of Change of Registered Office or Registered Agent or Both - Domestic & Foreign Non-Profit Corporations

Department of Revenue

- Sales Tax (Retail License)
- Artists and Craftsman License (Retail License)
- Accommodations (Retail License)
- Aviation Fuel Tax
- Business Personal Property
- Corporate Tax Account
- Solid Waste Tax
- Use Tax
- Withholding Tax
- Retail Alcoholic Beverage Licenses
- Renewals of Wholesale Alcoholic Beverage Licenses

Employment Security Commission

- Unemployment Insurance Tax

Department of Health and Environmental Control

- Well Permits (Residential and irrigation)
- Demolition Associated with Asbestos

Department of Consumer Affairs

- Initial Maximum Rate Filing Schedule Consumer Loans
- Initial Maximum Rate Filing Schedule Consumer Credit Sales
- Consumer Credit Grantor Notification
- Credit Notification for Rent to own Businesses



Checklist for New Businesses in South Carolina

For additional assistance, a complete listing of contact information and telephone numbers is located in the Government Assistance Section of this guide.

Will you sell or lease any goods or provide any services?

- You may need a retail license
- You should collect and report the sales tax on any sales you make
- Most services are not subject to sales tax – check to see if this applies to your specific situation

Will you have any employees?

- Register as a withholding agent with the Department of Revenue and the Internal Revenue Service to withhold income taxes from your employees' wages
- You should register to pay unemployment contributions with the Employment Security Commission
- You may need to register with the Workers Compensation Commission. There may be other state, federal and local government agencies where you may need to register. Visit www.scbos.com for more information.

Will you purchase any items for your business?

- If the items are to be used in your business and you did not pay sales tax at the time of purchase, you should pay sales and use tax
- If you resell items with a markup, sales and use tax is due, even if you paid tax when you bought it

Does your business own equipment, furniture or fixtures?

- File a business personal property return each year. "Personal property" is a technical term for items other than real estate and inventory

Will you be selling beer, wine or liquor?

- You must obtain an alcoholic beverage license. (If you are a wholesaler of alcoholic beverages, tobacco, gasoline or soft drinks, special tax rules may apply to you.) Register on-line at www.scbos.com.

Does your business provide overnight accommodations?

- Register to collect and remit the accommodations tax on all your room rentals, vacation cottages or home rentals. Register on-line at www.scbos.com. There maybe other local government accommodations tax due on room rentals, vacation cottages or home rentals, visit www.scbos.com for more information.

Is your business a place of amusement?

- Apply for an admissions tax license (Beaufort and Horry Counties also have a local admissions tax.)

Will you own and operate coin devices, operated game machines or table games including “juke boxes,” pool tables or foosball tables?

- Register games and owner with the South Carolina Department of Revenue

Do you sell tires, batteries, oil or appliances?

- Register to collect the solid waste excise tax on your sales

Will your business incorporate?

- Register with the Secretary of State on-line with SCBOS. www.scbos.com
- Register with the South Carolina Department of Revenue on-line with SCBOS. www.scbos.com

Do you rent/lease motor vehicles or heavy equipment?

- Register to collect the rental surcharge on your sales

Will you purchase a business from a previous owner?

- A Certificate of Compliance that is less than 30 days old may be required from the seller by the lending or closing agent in order to confirm that all tax issues for the business have been resolved. A Certificate of Compliance may be obtained by completing a C-268 and submitting the \$60.00 application fee.

Registering Your Business

The first thing you'll need to do before opening your business is to register the business. If your business is a corporation, limited partnership, Limited Liability Company or limited liability partnership you can register on-line with the Secretary of State using SCBOS.

Most businesses also must register with the South Carolina Department of Revenue. Some small, sole proprietorship businesses that are service-related and not selling goods and products to customers may not have to be registered with the Department of Revenue. However, if you have any employees, you will be required to register to withhold income tax from employee wages. You can register with us on-line at our website www.sctax.org.



You may be required to register with the South Carolina Employment Security Commission to report and pay unemployment insurance for your employees. You also may be required to register with the Workers' Compensation Commission.

The city or county where you locate your business may require you to obtain a local business license. Certain types of businesses may be required to be registered with

other state agencies. A lawyer or small business adviser can be especially helpful in ensuring that you register with all the proper government agencies.

Registering with the Department of Revenue

You can register for the most common state business taxes by completing Form SCTC-111, Business Tax Application, which can be obtained from our website at www.sctax.org or by calling our Forms Office at (803) 898-9211. You can use this form to register for a retail license, a purchaser's certificate of registration (use tax), accommodations license, solid waste tax, business personal property tax and income tax withholding. Depending on the type of business you have, you may need to make application for the following licenses or permits:

Admissions Tax License, Alcoholic Beverage License, Bingo License, Tobacco Manufacturers', Distributors' and Wholesalers' Licenses, Coin-Operated Device License, International Fuel Tax Agreement Permit, Gasoline Dealers, Special Fuel Suppliers and Seller Users Licenses

Purchasing the Assets of a Business

If you buy the assets of a retail business, sales tax owed by the previous owner, transfers to you. The sales tax owed is a lien against the business inventory and equipment. You cannot obtain a retail license until the tax is paid. Unpaid business personal property tax owed on the assets remains with the assets; therefore the tax debt also transfers to the new owner.

The Retail License

Before you start a retail business in South Carolina, you will need a retail license. Apply for the license on Form SCTC-111 or go to www.scbos.com and register for the sales tax on-line. All retailers including those making infrequent sales in this state must obtain the retail license.



If you have more than one business outlet, you must obtain a separate retail license for each location. The fee for each permanent retail license is \$50. This license is good for as long as you own your business at that location. You do not have to renew the retail license.

If you sell arts and crafts that you make yourself, you can apply for a special retail license for \$20 to use for sales only at arts and crafts shows and festivals. You will use the Form 110 in order to apply for the Artists and Craftsman License. If you have no permanent retail location, you can purchase a transient retail license for \$50 that will allow you to make sales throughout the state, but in only one location at a time. You should apply for a transient license by completing the Form SCTC-111 or go to www.scbos.com.

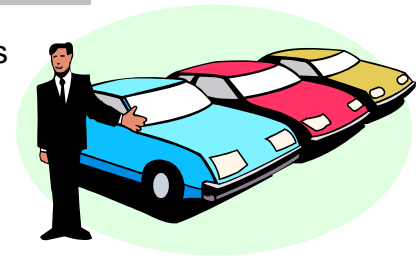
Purchaser's Certificate of Registration

A purchaser's certificate of registration is required for someone who does not make retail sales but who purchases goods from outside this state to store, use or consume in South Carolina. These purchases are subject to use tax in South Carolina and are not exempt from taxation. Generally, certificates are issued to construction contractors, but they may also be needed by any business that purchases goods from outside South Carolina. If you are licensed as a retailer, you do not need a purchaser's certificate of registration. You should apply for the purchaser's certificate of registration by completing the Form SCTC-111 or go to www.scbos.com.

Sales & Use Tax

Sales tax is an excise tax imposed on the sale of goods and certain services in South Carolina. Use tax is imposed on goods purchased out of state and brought into South Carolina for your own use or consumption or on those sales for which no sales or use tax has been paid.

The State's basic sales and use tax rate is currently six percent (6%). South Carolina's state sales and use tax rate increased from 5% to 6% effective June 1, 2007. The change did not affect purchases subject to the \$300 sales and use tax cap or the 7% tax rate on accommodations.



Currently, some counties impose local sales and use tax of one percent or two percent in addition to the state's basic rate. The combined state and local tax rates for counties located in SC are listed in the chart below. The tax rate imposed is generally based upon the location in which the sale is consummated. (Usually this is where the business is located, but it can be the place of delivery or physical presence by acceptance of goods sold: if different from the business location.)

**SALES AND USE TAX RATES BY COUNTY WITH LOCAL OPTION, CAPITAL PROJECT,
TRANSPORTATION OR SCHOOL DISTRICT RATES (Note: all rates are at the statewide of 6%
plus any applicable local sales and use tax rate collected by the Department of Revenue.)**

STATE OF SOUTH CAROLINA LOCAL TAX DESIGNATION

COUNTY	RATE	COUNTY	RATE
Abbeville	7%	Greenwood	7%
Aiken	7%	Hampton	8%
Allendale	7%	Horry	8%
Anderson	6%	Jasper	8%
Bamberg	7%	Kershaw	7%
Barnwell	7%	Lancaster	8%
Beaufort	7%	Laurens	7%
Berkeley	8%	Lee	8%
Calhoun	7%	Lexington	7%
Charleston	7.5%	McCormick	7%
Cherokee	8%	Marion	7%
Chester	8%	Marlboro	7%
Chesterfield	8%	Newberry	7%
Clarendon	8%	Oconee	6%
Colleton	7%	Orangeburg	7%
Darlington	8%	Pickens	7%
Dillon	8%	Richland	7%
Dorchester	7%	Saluda	7%
Edgefield	7%	Spartanburg	6%
Fairfield	7%	Sumter	8%
Florence	8%	Union	6%
Georgetown	6%	Williamsburg	7%
Greenville	6%	York	7%

****NOTE:** This chart does not contain rates applicable to sales to the Catawba Indian reservation. For information relating to these rates see instructions on reverse side of Form ST-389 or contact the Department at (803) 898-5788.

Elections may be held each November and additional counties may approve the local tax at that time. If the tax is approved by voters, the tax will generally become effective in that county on May 1 following the election.

Items limited to the \$300 maximum sales and use tax may not be subject to the local tax. You must complete Form ST- 389, Schedule for Local Taxes.

Counties and municipalities also may pass local sales taxes on food, beverages and accommodations. Check with the governing body where your business is located. You may also check our website for tax rates by zip code by typing in

<http://www.sctax.org/Tax+Information/Sales+and+Use+Tax/saleszip.htm>

Unless specifically exempt or excluded, all sales are subject to the sales or use tax. There are numerous exemptions and exclusions from the sales and use tax. You may check our website for tax rates by zip code by typing in

<http://www.sctax.org/Tax+Information/Sales+and+Use+Tax/saleinfo.htm#exempt>

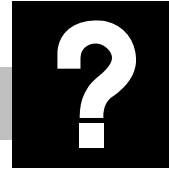
The rental of transient accommodations, such as in hotels, motels, campgrounds and vacation homes, is subject to a **7% accommodations tax**. The local sales and use tax applies, along with any local accommodations tax imposed by counties and municipalities.



If you operate a retail business, you must report and pay sales tax to the Department of Revenue on all your sales. You may pass the sales tax along to your customers, but reporting and remitting the tax is your responsibility. If you're buying merchandise for resale later, you do not need to pay the sales tax at the time you make the purchase, but the tax becomes due when the merchandise is sold at retail or withdrawn from inventory for your own use. You must present a resale certificate, Form ST-8A, to the seller in order to make the purchase tax-free. If you're buying merchandise out of state for use in your business and not for resale, you must pay the use tax.

Report and pay sales and use tax on Form ST-3, Sales, Use and Local Option Return. If you furnish accommodations to transients, report the tax on Form ST-388. If you sell vehicles subject to the maximum tax, report the tax on Form ST-455. Depending on the amount of your sales, the Department of Revenue may authorize you to file returns and pay tax monthly, quarterly or annually. **You must file a sales tax return even if you had no sales during the reporting period.** See the section called Electronic Services to learn about electronic methods of reporting and paying.

Frequently Asked Sales Tax Questions



1. Are freight charges taxable?

Freight charges are taxable unless the shipping is billed F.O.B. point of origin.

2. If Company A (located in California) makes a sale to Company B (located in New Jersey) but ships the merchandise to Company C (located in South Carolina); who is responsible for the South Carolina Tax?

This is a third party drop shipment scenario. Company A is considered to be making a nontaxable sale for resale to Company B. Company C is liable for the South Carolina use tax unless it has a receipt (invoice) showing payment of the South Carolina tax to Company B.

3. If I am leasing a car can I pay all of the sales tax up front or do I have to pay it monthly?

There is an option available for payment of the sales tax up front.

4. If I lease a car and then decide to buy the car, why do I have to pay taxes again? This is double taxation. I protest!

The sales tax is a transaction tax; this is not double taxation. The lease of the car is one taxable transaction; the sale of the car is a separate taxable transaction.

5. Are warranties taxable?

Effective for sales or renewals on or after October 1, 2005, Code Sections 12-36-910(B) and 12-36-1310(B) impose the sales and use tax on the:

gross proceeds accruing or proceeding from the sale or renewal of warranty, maintenance, or similar service contracts for tangible personal property, whether or not such contracts are purchased in conjunction with the sale of tangible personal property.

As such, charges for sales or renewals of warranty, maintenance, or similar service contracts (whether optional or mandatory) for tangible personal property are subject to the sales and use tax effective October 1, 2005. However, charges for motor vehicle extended service contracts and motor vehicle extended warranty contracts are exempt from the sales and use tax under Code section 12-36-2120(53).

Note: The tax does not apply to the withdrawal from inventory of tangible personal property for use in replacing defective part under a warranty contract if:

1) tax was paid on the sale or the renewal of the warranty contract and the customer is not charged for any labor or material when the part is replaced; or,

2) the warranty contract is given without charge at the time of the original purchase of the defective property, and the tax was paid on the sale of the defective part or on the sale of the property of which the defective part was a component, and the customer is not charged for any labor or material when the part is replaced.

If both conditions set forth in Item 1 are not met, or if all three conditions set forth in Item 2 are not met, then tax is due on the withdrawal from inventory of the tangible personal property for use in replacing a defective part under the warranty contract. The tax would be based on the fair market value of the property withdrawn from inventory.

For a more detailed discussion of this issue, see SC Revenue Ruling #05-12.

6. Are computer software contracts taxable?

Effective for sales or renewal on or after October 1, 2005, Code Sections 12-36-910(B) and 12-36-1310(B) impose the sales and use tax on the:

gross proceeds accruing or proceeding from the sale or renewal of warranty, maintenance, or similar service contracts for tangible personal property, whether or not such contracts are purchased in conjunction with the sale of tangible personal property.

As such, a charge for the sales or renewal of a warranty, maintenance, or similar service contract for computer software what was delivered in tangible form (tangible personal property) is subject to the sales and use tax, whether or not such contract was purchased in conjunction with the sale of computer software that was delivered in tangible form. A charge for the sale or renewal of a warranty, maintenance, or similar service contract for computer software that was delivered solely by electronic means is not subject to the sales and use tax, provided no part of the software (including back-up diskettes and tapes) that is covered by the maintenance agreement is to acquire services and is not to acquire tangible personal property (e.g. software updates provided by tangible means).

For a more detailed discussion of this issue, see SC Revenue Ruling #05-13.

7. Are churches exempt from sales tax?

Churches are not exempt from sales tax on anything purchased for their own use. Churches may obtain an exemption for fundraising sales.

8. What is the tax rate?

The statewide South Carolina sales and use tax rate is 6%.

9. What are the local option counties? When did the county begin imposing the local option tax? When can the county eliminate the local option tax?

Certain counties have imposed an additional 1% local option tax. Please refer to [Sales and Use Tax Rates of SC \(ST-427\)](#) to obtain which counties have local option tax and the date of impositions.

The local option tax may only be eliminated by referendum at least two years after imposition in each county.

10. How do you complete the sales and use tax return?

Instructions are available for assistance in completion of the return. You may also call (803) 898-5788 in Columbia or one of the nine Taxpayer Service Centers in the State.

11. If my non-profit organization holds an exemption certificate in another state, will South Carolina honor it and exempt me from South Carolina sales tax?

No. Non-profit organizations are taxable on all items purchased for their own use. Certain qualifying organizations are exempt on items to be sold (such as fundraisers). Application Form ST-387 must be completed.

If I present my exemption certificate can I stay in South Carolina hotels free of the tax?

South Carolina does not recognize other state's exemption certificates issued to non-profit organizations for staying in hotels free of the tax.

12. What are deductions?

Deductions are these transactions considered nontaxable by law. These include sales for resale, out-of-state deliveries and trade-ins. A complete list of deductions is available from the Department of Revenue.

13. What is your fiscal year?

The South Carolina fiscal year is July 1 through June 30.

14. How can I take a credit on my return?

There is no provision for taking a credit on the return. Deductions should be increased by the appropriate amount to reflect any credit due for current period or an amended return should be submitted for previous periods.

15. How do I submit an amended return?

An amended return is submitted by marking a return "amended" and forwarding to the Department of Revenue.

16. Are delivery charges taxable? Why?

Delivery charges are considered part of the sales price and are subject to the tax.

Income Tax

South Carolina's top individual income tax rate is 7% and the corporate income tax rate is 5%, one of the lowest in the nation.

The way you report income from your business will depend on your business organization. If you create a corporation, you will register your business with both the Secretary of State and the Department of Revenue. As a corporation, in addition to the income tax, you must pay an annual corporate license tax that is based on capital stock and paid-in surplus of the corporation. The minimum annual license tax is \$25. This is paid in advance along with the corporate income tax return each year.

You may decide to form a partnership with other individuals. If so, you must file a partnership return (SC1065) and report your share of the business income or loss on your personal income tax return.

If you form an LLC, you file the same type of return (corporate or partnership) with South Carolina as you file with the IRS. Forming a corporation, an LLC or a partnership usually requires the assistance of a lawyer.

If you are a sole proprietor, you report all income from your business on federal Schedule C of your personal income tax return. South Carolina does not have a separate Schedule C. For a South Carolina resident, federal taxable income is your starting point in determining how much state income tax you may owe. Generally, South Carolina follows federal tax laws regarding your business income. If the Internal Revenue Service allows you to take deductions for business expenses or other costs, those deductions will be allowed for the purpose of determining your South Carolina taxable income.

Income Tax Withholding

If you have at least one employee working for you, you will need to register as a withholding agent for state income tax. If you form a corporation, you are considered an employee and must withhold income tax from your income.

You will withhold the state income tax from each employee's salary and remit it to the Department of Revenue on a regular basis. The size of your payroll will determine the frequency and method of payment that is required of you. You may pay the withholding taxes electronically or by mailing your withheld income taxes to the Department of Revenue.

If you withhold \$15,000 or more in any calendar quarter, you must pay withholding through electronic funds transfer. Your dates for paying the withholding tax to the Department of Revenue are the same dates required for you to pay the Internal Revenue Service. Withholding tax information along with forms and withholding tables can be found on the Department of Revenue's website www.sctax.org.

Estimated Income Tax Payments

If you are a sole proprietor, partner, shareholder of an S corporation or a single member limited liability company, you will be responsible for reporting and paying estimated tax on your income. These payments are made quarterly. Estimated tax payments for individuals are due on April 15, June 15, September 15 and January 15. Estimated tax payments for C corporations are due on the 15th day of the fourth, sixth, ninth and 12th months following the beginning of the taxable year.

Property Tax

Property tax is administered and collected by local governments with assistance from the Department of Revenue. Real and personal property are subject to the tax. The tax is paid by individuals, corporations, partnerships, etc. owning property within the state.

Each class of property is assessed at a ratio unique to that type of property. The assessment ratio is applied to the market or use value of the property to determine the assessed value of the property. Each county, municipality, school district and other tax district then applies its millage rate to the assessed value to determine the tax due. The following ratios are applied to each class of property to determine the assessed value: (fmv=fair market value)

Manufacturing - 10.5% of fmv

Utility - 10.5% of fmv

Railroads, Private Carlines, Airlines and Pipelines - 9.5% of fmv

Legal residences - 4% of fmv

Agricultural (owned by individuals, partnerships and LLCs) - 4% of use value

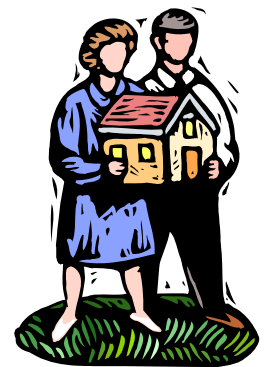
Agricultural (owned by most corporations) - 6% of use value

Other real estate - 6% of fmv

Personal property - 10.5% of income tax depreciated value

Motor vehicles - 7.5% of fmv

Motor carrier vehicles - 9.5% of fmv



When you register your business for a retail license, you may automatically be registered for business personal property tax depending on your type of activity. A business Personal Property Tax Return, Form PT-100, will be mailed annually to you to complete. **This return is due the last day of the fourth month following your fiscal or calendar year end.** (For instance, if your fiscal year ends in December, the return is due by April 30.) The Department of Revenue uses the return to determine the assessed value of your personal property. This information is then supplied to county and/or city governments, who issue and collect the tax bills.

You are required to report and pay property tax yearly on any furniture, equipment and fixtures you maintain in your business. The information reported on the return will be the total acquisition cost of all personal property (not real estate or vehicles) owned by the business minus income tax depreciation, resulting in a net taxable value. The net taxable value must represent at least 10% of the total acquisition cost, even if the assets are fully depreciated or expensed for income tax purposes. The assessed value reported by the Department of Revenue to local governments will be 10.5% of the net taxable value reported on your return. The actual tax is levied and collected by your local government.

If you lease your personal property, or, if someone other than the business owns it, the lessor/owner is required to file a PT-100 form reporting the assets. Your business would then file a return reporting zero (0) assets and list the name and address of the owner of the property.

Business Tax Incentives

You may qualify for tax incentives for your new business. Location of the business, total capital investment and number of employees hired are all factors that determine your eligibility for tax incentives. For more information, see the Department of Revenue's publication Tax Incentives for Economic Development, on our website at www.sctax.org.

Closing a Business

If you close your business, you should file an Account Closing Form, Form C-278. You should also file final income, sales and property tax returns and return your retail license to the Department of Revenue. Corporations, LLCs and limited partnerships must file documents with the Secretary of State when closing a business.

Forms

You may obtain additional state forms using one of three methods:

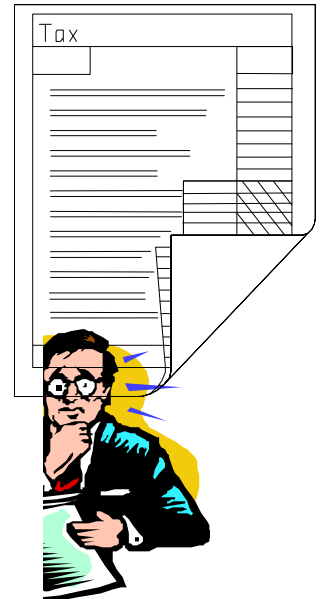
1. Visit the South Carolina Department of Revenue website at www.sctax.org and go to the Forms and Instructions button.
2. Receive forms by fax when calling the South Carolina Department of Revenue Forms Request System statewide at (800) 768-3676 or 898-5320 in Columbia
3. Visit any of the six Taxpayer Service Centers located around the state

For copies of federal forms you may also use one of the following:

1. Visit the Internal Revenue Service website at www.irs.gov
2. Using the IRS publication number, you may call (800) 829-4933
3. Visit the Internal Revenue Service office nearest you

For copies of other South Carolina state forms:

Visit South Carolina Business One Stop at www.scbos.com



Electronic Services

There are six programs to help you:

1. Business Tax TeleFile for Reporting Zero Sales & Withholding Taxes

Sales tax filers who have zero gross proceeds of sales, rentals, use tax, and withdrawals for own use for the filing period, may use our Business Tax TeleFile for Sales & Use Taxes. **Withholding** tax filers who have a zero payment amount due with the return for the filing period may also use the Business Tax TeleFile System for Withholding Taxes.

To start the process, please dial (803) 898-5918 and follow the recorded instructions. First time users are required to register on the system prior to filling their first return. The process for Sales Tax filers takes less than 5 minutes to complete. It takes about 10 minutes to complete the process for Withholding Tax filers.

If assistance is needed with sales tax related questions, you can contact the DOR Sales Tax Help Line at (803) 896-1420. For assistance with withholding tax related questions, please contact the DOR Withholding Tax Help Line at (803-896-1450).

For all TeleFile support issues, you should contact the Business Tax TeleFile Help Line

at (803) 896-1715 or contact us by e-mail at telefile@sctax.org.

1. Electronic Funds Transfer

Businesses that have paid \$15,000 or more during any one filing period during the past year are required to pay electronically. Taxpayers with less than \$15,000 in tax due during a filing period may participate voluntarily with the Electronic Funds Transfer (EFT) Program. For further information call 1-800-476-0311.

2. Electronic Funds Transfer (EFT)/Electronic Data Interchange (EDI)

The Department of Revenue has designed an Electronic Filing Program (EFT/EDI) for the transmission of your payment and filing your tax return information for **sales, use, accommodations, durable medical, local option and/or special local taxes.**



Businesses that have paid \$15,000 or more during any one filing period during the past year may be required to pay/file electronically. Taxpayers with less than \$15,000 in tax due during a filing period may participate voluntarily with the Electronic Funds Transfer (EFT)/Electronic Data Interchange (EDI) Program.

If you are interested in filing and paying one tax through EFT/EDI, you must file and pay all of these taxes through EFT/EDI. For example, you cannot file and pay sales tax through this program and pay local option through a conventional process.

Be aware that you must file both the return and the payment electronically; you cannot choose to do one part electronically and the other in a conventional method.

Electronic payments can be made by using the ACH (Automated Clearing House) debit or credit method.

Advantages of participating in the EDI/EFT program include:

- Eliminates paperwork, no more paper returns and checks
- Reduces return error potential due to no re-keying; no manual intervention
- Accurate timing of payment from your bank account
- Comprehensive audit trail for both the return and the payment

To register, please call 1-800-476-0311 or e-mail BusinessEFT@sctax.org.

3. Electronic Payment Over the Internet



You may also make Withholding Tax, Corporate Tax Declarations and vouchers, and delinquent payments online by using our ePAY system from our website. There is no cost to you and no registration is required. Using the ePAY system, payments are submitted by credit card or by electronic funds withdrawal (bank draft).

5. ESales Electronic Sales



The South Carolina Department of Revenue Electronic Sales Tax System (ESales) is designed to give taxpayers a *FAST, FREE and SECURE* way to file and pay their sales, use, accommodations, local option and special local taxes on-line.

ESales will allow the filing of the following forms:

- ST3 - Sales and Use Tax Return
- ST3EZ – Simplified Sales Tax Return
- ST388 - Sales, Use, Accommodations and Local Option Tax Return
- ST389 – Schedule for Local Taxes
- ST455 – Maximum Tax and Special Filers Tax Return
- ST501 – Durable Medical Equipment and Related Supplies

The SC Department of Revenue's ESales System will allow you to make payment by EFW (Electronic Funds Withdrawal/Bank Draft) or credit card (MasterCard and VISA).

For more information, go to www.sctax.org and click on Electronic Services. Then, click on the Sales and Use link to see more details about ESales. For technical questions call (803) 896-1715.

6. Individual Income Tax Electronic Filing

South Carolina accepts electronically filed state income tax returns. Refund and balance due returns are accepted electronically. Refunds may be deposited directly into your bank account. Visit the Department of Revenue website at www.sctax.org for more information on filing options.

The electronic methods available are:

- a. Fed/State On-Line Filing. This method requires use of commercial tax preparation software on your computer. Taxpayers may file both their federal and South Carolina returns together OR separately. Software developers will typically require that the federal return be completed initially in State Only filing situations.

Beginning in 2008, certain online filing providers began offering qualified South Carolina taxpayers the ability to file both their federal and South Carolina returns for FREE. Please visit our FREE File web page to see if you qualify to have your federal and South Carolina returns filed electronically for FREE.

b. Fed/State Electronic Filing. This method requires use of an electronic return originator (a tax preparer certified to electronically file). Taxpayers may file both their federal and South Carolina returns together OR separately. Software developers will typically require that the federal return be completed initially in State Only filing situations.

c. SCnetFile – Extensions ONLY. This method of filing a South Carolina extension (SC4868) requires use of the Internet. , If there is a balance due with the extension, the payment can be made by EFW (Electronic Funds Withdrawal) or by credit card (Visa or MasterCard).



Other Government Assistance

To **register your business for federal taxes and to receive your federal employer identification number**, contact:

Internal Revenue Service
1835 Assembly Street
Columbia SC 29201
Internet: www.irs.gov
Phone: 1-800-829-4933

For **information on incorporating your business in South Carolina**, contact:

Secretary of State
Physical Address: Edgar Brown Building
1205 Pendleton Street Suite 525
Columbia, SC 29201
Mailing Address: P.O. Box 11350
Columbia, SC 29211
Internet: www.scsos.com
Phone: (803) 734-2158

For information on **workers compensation laws**, contact:

SC Workers' Compensation Commission
Physical Address: 1612 Marion Street
Columbia, SC 29201
Mailing Address: P.O. Box 1715
Columbia SC 29202-1715
Internet: www.wcc.sc.gov
Phone: (803) 737-5700

For information on **unemployment insurance**, contact:

SC Employment Security Commission

Physical Address: 1550 Gadsden Street
Columbia, SC 29201

Mailing Address: P.O. Box 995
Columbia SC 29202

Internet: www.sces.org

Phone: (803) 737-3071

For information on **planning, starting or expanding a business**, contact:

Small Business Development Center

University of South Carolina – Columbia SBDC

Moore School of Business

1705 College Street

Columbia SC, 29208

Phone: (803) 777-5118

Business Information Center

SC Department of Commerce

1201 Main St. STE 1600

Columbia, SC 29201-3200

Internet: www.sccommerce.com

Phone: (803) 737-0400

1-800-868-7232

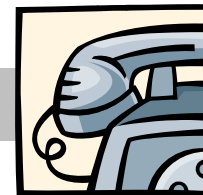
Publications

Other publications are available which may be useful to you in your business. Check our home page on the Internet for copies of our most popular publications.

Internet

Tax information, forms, policy rulings and other tax information may be found on the Department of Revenue's home page at www.sctax.org.

Numbers to Call



Unless otherwise indicated, all numbers use area code 803

DOR CALL CENTER	898-5000
SCBOS Customer Assistance	898-5690
REGULATORY	
Bingo Enforcement	898-5393

Alcoholic Beverage Licensing Litigation	898-5733
Alcoholic Beverage License (Beer, Wine, & Alcoholic Liquors)	898-5864
CORPORATE TAX	
Corporate Income Tax	896-1730
Delinquents, Notices, And Warrants	896-1730
Debt Match And Reinstatements	896-1730
Technical Corporate, Partnership, Withholding & Fiduciary Questions	896-5834
ELECTRONIC SERVICES	
Electronic Filing (Individual Income Tax)	896-1715
Electronic Fund Transfers (EFT)—all business taxes except Sales	1-800-476-0311
Electronic Data Interchange (EDI) – Sales Tax and Motor Fuel	1-800-476-0311
Fed/State Electronic Filing (Taxpayers)	896-1715
Fed/State Electronic Filing (Electronic Return Originators ONLY)	896-1855
Magnetic Media Filing (W-2)	896-1450
SCnetFile	896-1715
ESales (System Problems Only)	896-1715
EPay (Systems Problems Only)	896-1715
SCBOS	898-5690
Business Tax Telefile (Registration & Filing)	898-5918
Business Tax Telefile (Sales Tax Help Line)	898-5788
Business Tax Telefile (Withholding Tax Help Line)	898-5752
Business Tax Telefile Help Line	896-1715
E-mail -- telefile@sctax.org	
INDIVIDUAL INCOME TAX	
Automated Refund Inquiries	898-5300
Copies Of Tax Returns Requested By Taxpayers	896-1166
Debt Matches Under The Offset Program	# Shown On Notice To Taxpayer
Fax On Demand	1-800-768-3676 or 898-5320
General Information	898-5709
Individual Declarations Of Estimated Tax	898-5709
Notice Of Adjustments And Information Letters (Computer Generated)	898-5709
Partnerships	896-1590
Compliance & Recovery Office	896-1100
RAR (Revenue Agent Reports)	896-1100
Refund Inquiries	898-5709
Request For Forms	898-5599
Tax Helpline Outside Columbia Dialing Area	898-5280 or (800) 763-1295
Technical Questions – Individual	898-5838

MISCELLANEOUS TAXES

Admission	896-1970
Deed Recording Fee	896-1970
Electric Power	896-1970
Farm Gas Tax Refunds	896-1970
Hospital Tax (Indigent Care)	896-1970
Motor Fuel Refunds	896-1990
Motor Carrier Property Tax	898-5222
PSC Utility Tax	896-1970
Primary Forest	896-1970
Solid Waste Tax	898-5737
Tobacco	896-1970

SALES/USE AND ACCOMMODATIONS TAX

Accommodations Tax	898-5788
Extensions	898-5788
Failure to File	898-5788
Form St 236 Or Refunds	898-5788
General Questions	898-5788
Local Option Sales Tax	898-5788
Rental Surcharge	898-5788
Technical Questions on Sales, Use, Local Option, Accommodation & Miscellaneous Tax Questions	898-5744

WITHHOLDING

General Information	898-5752
Booklet Reorder	898-5752
Address Correction	898-5752
Specific/Technical Withholding Questions	896-1450
Enterprise Zone Act/Rural Development Act Credit	896-1490

BUSINESS TAX REGISTRATION

Registration/Database Maintenance	896-1350
Register For Sales, Use, Withholding, Corporate, And Highway Use Taxes	896-1350

PROPERTY DIVISION

Business Personal Property	898-5222
Manufacturing Assessments	898-5490
General Questions	898-5482

Internet Address..... www.sctax.org

Taxpayer Service Centers

Our business is serving you. If you need more information about starting your business or help once the business gets going, please call or visit us. Our hours are Monday through Friday, 8:30 a.m. until 5:00 p.m.

City	Address	Telephone Number
COLUMBIA CENTRAL OFFICE	301 Gervais Street Columbia Mills Building (State Museum) P O Box 125 Columbia, South Carolina 29214	Phone: 803-898-5000 Fax: 803-898-5822
CHARLESTON SERVICE CENTER	Suite 100 - 1 Southpark Circle Charleston, South Carolina 29407	Phone: 843-852-3600 Fax: 843-556-1780
FLORENCE SERVICE CENTER	1452 West Evans Street P O Box 5418 Florence, South Carolina 29502	Phone:843-661-4850 Fax: 843-662-4876
GREENVILLE SERVICE CENTER	211 Century Drive Suite 210-B Greenville, South Carolina 29607	Phone: 864-241-1200 Fax: 864-232-5008
MYRTLE BEACH SERVICE CENTER	Old Myrtle Beach Air Force Base 1330 Howard Avenue P O Box 30427 Myrtle Beach, SC 29577	Phone: 843-839-2960 Fax: 843-839-2964
ROCK HILL SERVICE CENTER	454 S. Anderson Rd, Suite 202 Business Technology Center P O Box 12099 Rock Hill, South Carolina 29731	Phone: 803-324-7641 Fax: 803-324-8289

FOR A MAP TO ALL OF THESE OFFICES,

GO TO OUR WEBSITE www.sctax.org and click on Contact Information then Taxpayer Service Centers.

Other Locations Where You Can Meet In Person with A DOR Representative

AIKEN

County Council Bldg
1555 Richland Ave. E
Suite 500- Rm. 514
Thursdays Only
9:00 am - 1:00 pm
803-649-0737

ANDERSON

107 South Main St – Room 111
Mondays – 8:30 am – 12:00 pm
and 1:00 pm – 5:00 pm
864-260-4347

BARNWELL

Barnwell County Annex Building
1st and 3rd Monday of each month
9:00 am – 12:30 pm
803-541-1031

BENNETTSVILLE

SC Dept. of Motor Vehicles
Hwy 9 West
2nd Thursday Only –
9:30 am – 12:00 pm
843-454-9272

CAMDEN

Kershaw County Courthouse
1121 Broad Street
2nd Wednesday of each Month
from 9:00 Am - 12:00 PM
803-425-1500

CHESTER

Old Federal Building
158 Main Street
Thursdays – 9:00 am – 12:00 pm
803-377-4177

DILLON

Disaster Preparedness Agency
205 West Howard Street
2ND Wednesday Only –
9:00 am – 12:00 pm
843-774-1414

GAFFNEY

Cherokee County Administration
Building
210 N. Limestone Street
2nd Tuesday each month –
9:00 am – 12:00 pm
864-487-2766

GEORGETOWN

County Courthouse
County Delegations Office
715 Prince Street
Mondays – 9:00 am – 12:00 pm
843-546-2043

GREENWOOD

233 Park Plaza – Next to Greenwood
Courthouse
Thursday – 8:30 am – 12:30 pm
864-943-1545

KINGSTREE

County Courthouse, 2nd floor Break
Room
2nd Wednesdays Only –
9:00 am – 12:00 pm

LANCASTER

Old County Jail Building
208 W. Gay Street
Monday, Wednesday, Thursday and
Friday 8:30 am- 5:00 pm
803-283-2169

LAURENS

Laurens County Judicial & Services
Complex
100 Hillcrest Square
2nd Wednesday each month –
1:00 pm – 5:00 pm
864-984-4608 ext. 190

MCCORMICK

McCormick County Courthouse
Tuesday – 8:30 am – 1:00 pm
864-465-2195 ext. 2931

ORANGEBURG

Orangeburg County Annex Building
Wednesday – 8:30 am – 1:00 pm
803-533-5885

SUMTER

115 Harvin Street, Room 609
2nd Wednesday Only –
9:00 am – 12:00 pm
803-773-7812

UNION

Union County Courthouse
210 West Main Street
2nd Wednesday each month –
1:00 pm – 5:00 pm
864-427-2955

WALHALLA

60 Short Street
Mondays - 8:30 am – 12:00 pm
864-859-0335

Taxpayer's Bill of Rights

The Taxpayers' Bill of Rights gives you certain rights when dealing with the South Carolina Department of Revenue. These include the right to:

1. File an application for relief with the taxpayer advocate in a situation when you are suffering or about to suffer a significant hardship as a result of the manner in which the Department is administering the tax laws.
2. Receive advance notification that your hearing may be recorded and be furnished with a copy of that hearing.
3. Receive the publication of clear, concise and non-technical about statements of taxpayer rights mailed with each notice of audit.
4. Have your attorney, accountant or other designated agent present at a hearing.
5. Have the Department establish an appeal process for modifying or releasing liens.
6. Bring action against the state for damages suffered because of disregard of Department policy by an employee.

For additional information about the Taxpayers' Bill of Rights contact the Taxpayer Rights Advocate at the South Carolina Department of Revenue (803) 898-5444 or by mail at Taxpayer Rights Advocate, Department of Revenue, PO Box 125, Columbia SC 29214 or E-mail through our website www.sctax.org.