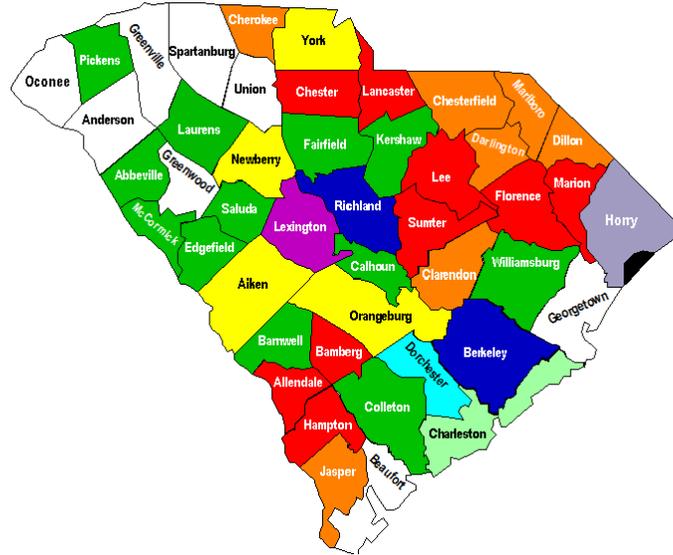


South Carolina Department of Revenue

Moving to South Carolina

A Tax Guide for New Residents



If you are considering a move to South Carolina or have been a resident for only a short time, you may have questions about South Carolina's tax structure. This brochure explains the major state and local taxes of which you should be aware, including income, property, sales and use, motor fuel and others.

For more specific information, call or visit one of the South Carolina Department of Revenue offices listed in this publication.

Income Tax

South Carolina has a simplified income tax structure which follows the federal income tax laws. South Carolina accepts the adjustments, exemptions and deductions allowed on your federal tax return with few modifications. Your federal taxable income is the starting point in determining your state income tax liability.

Tax Rates

Individual income tax rates range from 3% to a top rate of 7% on taxable income. Tax brackets are adjusted annually for inflation.

Deductions

- You do not pay a tax in this state on property sold in another state.
- A deduction of 44% is allowed on net long-term capital gains; the South Carolina holding period is the same as the federal.
- Beginning with the first year you receive qualified retirement income and until you reach age 65, you can take a deduction of up to \$3,000. You can take this deduction for income received from any qualified retirement plan. If both spouses receive retirement income, each spouse is entitled to a deduction.
- At age 65, all residents are eligible for a deduction of up to \$15,000 from income, regardless of the source. A surviving spouse may continue to take a retirement deduction on behalf of a deceased spouse.
- Reserve pay income received from the National Guard or armed forces for the 39 days of annual training and weekend drills is exempt from tax.
- Disability income from a permanent and total disability is deductible.
- South Carolina does not tax Social Security benefits or railroad retirement.
- Interest you receive from federal obligations is deductible.
- A deduction is allowed for each child under 6. The deduction is 100% of the federal personal exemption, which is adjusted each year for inflation.
- A deduction is allowed for a special needs adopted child.

Credits

Listed below are some of the individual income tax credits which may lower your South Carolina tax liability.

- A refundable tuition tax credit of up to 25% for tuition paid to South Carolina public and private colleges may be available for qualifying individuals. The maximum credit is \$850 per year for four-year schools and \$350 per year for two-year schools.
- A two-wage earner credit allows married couples to take a maximum credit of \$210 if both spouses work.
- A maximum credit of \$300 is available for payments made for nursing home care or intermediate nursing care provided in the home for yourself or another individual.
- A credit is allowed for income taxes paid to another state on income which is taxable in both states.
- A child and dependent care credit allows you to claim 7% of your federal allowable expenses for the care.

Additions to Income

Certain items of income must be added back to your federal taxable income.

- If any out-of-state losses were subtracted on your federal income tax return, they must be added back to your taxable income on your state return.
- The deduction on your federal return for state income tax paid must be added back to your taxable income on your state income tax return. However, it is offset by your state refund amount if you claimed it as income on your federal return.

Part-Year Residents

If you moved to South Carolina during the year you are considered a part-year resident. As a part-year resident, you may file as a full-year resident or a non-resident. If you file as a full-year resident, claim all of your income as though you were a resident for the entire year and take a credit for any taxes paid in another state. As a non-resident, you should report only the income you earned in South Carolina. Your deductions and exemptions will be prorated by the same percentage as your South Carolina income compares to your total income. You may choose the method which benefits you the most. You may need to complete your return both ways to determine which option is best for you.

Estimated Tax

Estimated tax is the method used to pay tax on income that is not subject to withholding. This income includes income from self-employment, interest, dividends, alimony, rent, capital gains and prizes. You also may have to pay estimated tax if there was not enough tax withheld from your salary, pension or other income. Estimated tax is paid in quarterly installments on April 15, June 15, September 15 and January 15.

Filing Your Tax Return

Generally speaking, you are required to file a South Carolina income tax return if you are required to file a federal return, or if you are a non-resident with South Carolina gross income of more than the federal personal exemption amounts.

Individual income tax returns are due April 15 of each year. However, if you file your South Carolina return electronically, you have until May 1 of each year to file and pay without incurring a penalty. The May 1 deadline *does not apply to federal income tax returns or to taxpayers filing paper returns.*

You can file your South Carolina tax return in several ways:

- Electronic filing using a professional tax preparer
- Online filing over the Internet using available commercial software
- DOR website using participating vendors
- Paper return

Estate Tax

South Carolina does not impose an estate tax or a gift tax.

Property Taxes

Counties, cities and school districts are authorized to impose ad valorem taxes on real and personal property. Local governments assess and collect most property taxes. Property tax dollars support public schools and the services provided by local governments.

Residential Property

The market value of a legal residence and up to five acres of surrounding land is assessed at 4% of fair market value. This market value is determined as a result of a periodic countywide reassessment. The millage rate of the local government is then applied to the assessed value resulting in the tax liability. The millage rate is set by local governments and varies widely throughout the state.

The fair market value of owner-occupied residential property receiving the 4% assessment rate is exempt from all property taxes imposed for school operating purposes.

Based on a \$100,000 owner-occupied residence assessed at 4% with a millage rate of 200 mills, the property taxes would be \$800. Millage rates vary from county to county and you would need to check with officials in the county you wish to reside to estimate your property tax liability.

If you have resided in South Carolina for a full calendar year and you are 65 or older, legally blind or permanently and totally disabled, you are eligible for a homestead exemption of \$50,000 from the value of your home. Based on the example given earlier, the same \$100,000 owner-occupied residence receiving a homestead exemption and assessed at 4% with a millage rate of 200 mills would have a property tax liability of \$400. The assessment ratio on a second home or vacation home owned by you is 6%. The exemption for school operating purposes does not apply to a second home.

For more information about the tax on real estate, call the assessor in the county where you live or plan to relocate.

Vehicle Property Taxes

Personal property taxes are collected annually on cars, motorcycles, recreational vehicles, boats and airplanes based on values listed in the Department of Revenue publications supplied to counties. The value of your vehicle is multiplied by the assessment ratio to determine the assessed value. The applicable millage rate is multiplied by the assessed value of your vehicle to determine the amount of personal property tax that you owe. If you own a car valued at \$10,000, based on the average statewide millage rate, your personal property tax would be about \$173 annually.

For information about personal property tax, call the auditor's office in the county where you live or plan to relocate.

Sales and Use Tax

South Carolina's general state sales and use tax rate is currently 6%. In certain counties, local sales and use taxes are imposed in addition to the 6% state rate. The general local sales and use tax collected on the behalf of local jurisdictions is for school projects, road improvements, capital projects and other purposes.

Prescription medicines, dental prosthetics and electricity, natural gas and fuel oil used for residential purposes are exempt from the state and local sales and use tax. South Carolina residents age 85 or older are exempt from 1% of the state sales tax rate. A maximum sales tax of \$300 is imposed on the purchase of motor vehicles, motorcycles, boats, recreational vehicles and airplanes.

Use Tax

The Department of Revenue strongly enforces the use tax on purchases made out-of-state when an equal amount of sales or use tax was not due and paid in the other state at the time of purchase. If you purchase goods from the internet, catalogs, television shopping networks or other out-of-state businesses and did not pay sales tax, you must report and pay the a 6% state rate and any applicable local use tax rate due in South Carolina. The use tax can be conveniently reported on South Carolina's individual income tax return. You may also download the Use Tax Form, UT-3 from the Department of Revenue's website, www.sctax.org

The tax rate information on the attached chart, ST-500 (located on page 6), lists the current tax rate at the time of publication. This chart is revised periodically to reflect changes in the sales tax rate. Counties can impose a new tax rate at any time, which would impact the tax rates shown. A complete updated list of all counties with local taxes can be found on our website www.sctax.org under Sales and Use > Publications.

Motor Fuel Tax

South Carolina imposes a user fee (more commonly referred to as a gas tax) of 16 cents on each gallon of gasoline, diesel fuel, or other fuel used for the propulsion of motor vehicles. In addition to the 16 cent user fee, there is imposed a one-fourth cent (.0025) inspection fee and a one-half cent (.0050) environmental impact fee per gallon of motor fuel. The total fee (.1675) is included in the price per gallon of fuel at the pump.

Vehicle Registration

You have 45 days after moving to South Carolina to register your vehicle in this state. Even if you live in South Carolina only part of the year and consider another state your home of residence, you are still required to register your vehicle if you will be living in South Carolina for 180 days or more. The title fee is \$15 and the registration fee is \$24 every two years.

Vehicles must be registered every two years in South Carolina. Drivers 65 years old and older pay a reduced registration fee of \$20; the fee is \$22 for 64-year-olds. You may renew your vehicle registration through the mail when you pay your vehicle property taxes.

Please contact the Department of Motor Vehicles or visit www.scdmvonline.com for more information.

Driver's License

When you move to South Carolina, your driver's license from your former state is valid for 90 days. Before the 90-day period expires, new residents must visit one of the South Carolina Department of Motor Vehicles branch offices to obtain a South Carolina driver's license. A driver's license is \$25 and is renewable every ten years on your birthday. Beginner permit applicants must be at least 15 years old and pass a vision test and a written test on driving skills. The permit is \$2.50 and is valid for a year. Applicants must hold a beginner's permit for 180 days before they can apply for a driver's license.

Please contact the Department of Motor Vehicles or visit www.scdmvonline.com for more information.

Information

Visit us on the internet for information on all major South Carolina taxes, advisory opinions, tax forms and other helpful tax tips. Online business registration is available by clicking on South Carolina Business One Stop (SCBOS).

South Carolina Department of Revenue:
www.sctax.org

South Carolina State Government:
www.sc.gov

Who to Call

Automated Refund Information	(803) 898-5300
Forms – Voicemail	1-800-768-3676
Forms -- Distribution	(803) 898-9211
Individual Income Tax	(803) 898-5709
Licenses	(803) 896-1350
Motor Fuel	(803) 896-1990
Sales and Use Tax	(803) 896-1420
State Directory Assistance	(803) 896-0000
Withholding	(803) 896-1450
Hearing Impaired TDD/TTY	1-800-735-8583 or #711

Comments and Suggestions

Let us hear from you. Send your comments and suggestions to:

Public Affairs Office
South Carolina Department of Revenue
Post Office Box 125
Columbia, SC 29214

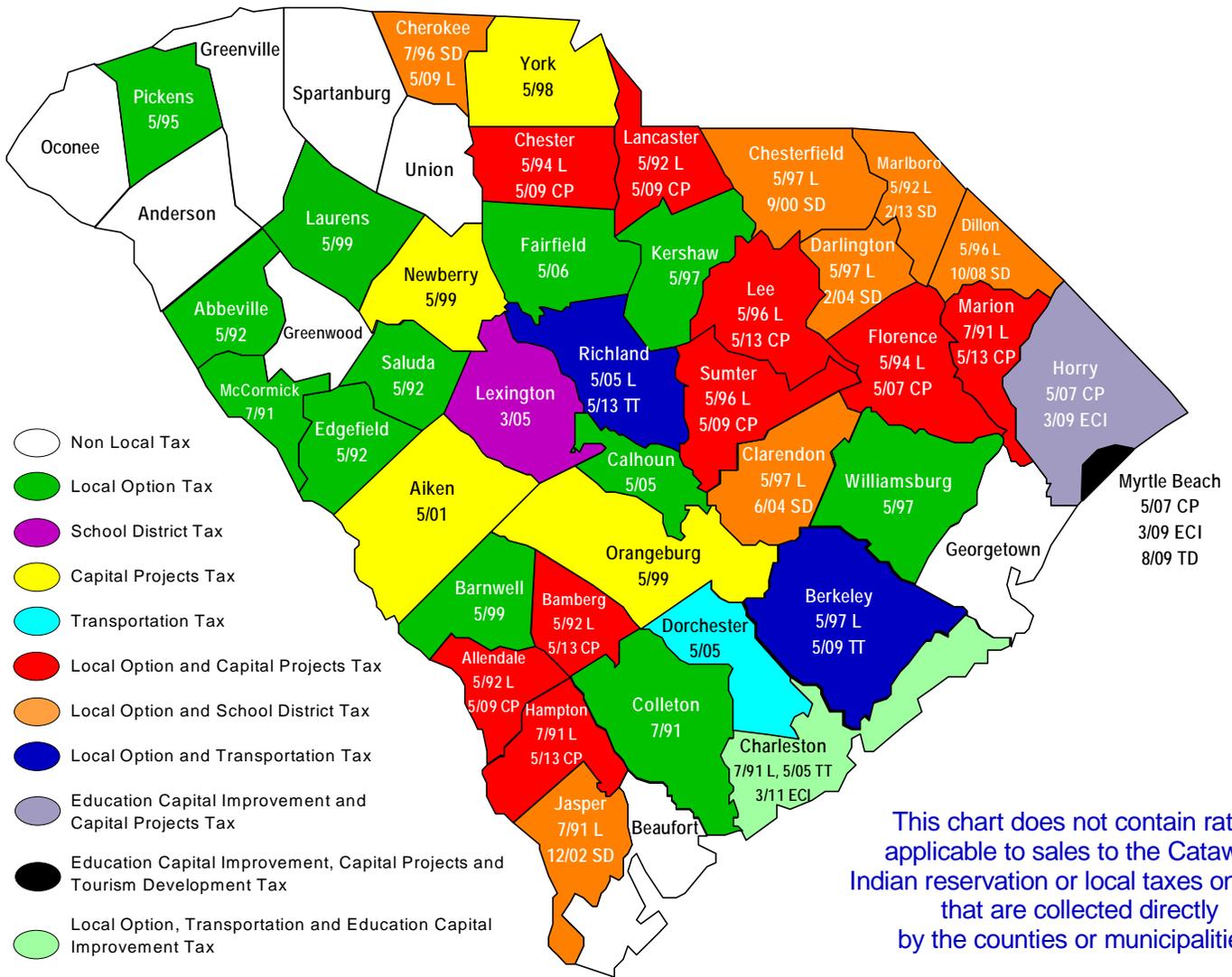
Taxpayer Service Centers

The South Carolina Department of Revenue is ready to assist you at 6 locations around the state. You will find the address, telephone numbers and counties served for each location listed below.

Columbia Main Office:	300A Outlet Pointe Blvd. P.O. Box 21587 Columbia, SC 29221 Phone: 803-898-5200 Fax: 803-896-0020	Charleston Service Center:	2 South Park Circle Suite 100 Charleston, SC 29407 Phone: 843-852-3600 Fax: 843-556-1780
Florence Service Center:	1452 West Evans Street P.O. Box 5418 Florence, SC 29502 Phone: 843-661-4850 Fax: 843-662-4876	Myrtle Beach Office:	1330 Howard Parkway Myrtle Beach, SC 29577 Phone: 843-839-2960 Fax: 843-839-2964
Greenville Service Center:	545 N. Pleasantburg Dr. Suite 300 Greenville, SC 29607 Phone: 864-241-1200 Fax: 864-232-5008	Rock Hill Service Center:	Business and Technology Center 454 South Anderson Road Suite 202 P.O. Box 12099 Rock Hill, SC 29731 Phone: 803-324-7641 Fax: 803-324-8289

COLUMBIA	CHARLESTON	GREENVILLE	FLORENCE	MYRTLE BEACH	ROCK HILL
Aiken	Beaufort	Abbeville	Chesterfield	Georgetown	Cherokee
Allendale	Berkeley	Anderson	Clarendon	Horry	Chester
Bamberg	Charleston	Greenville	Darlington		Fairfield
Barnwell	Colleton	Laurens	Dillon		Kershaw
Calhoun	Dorchester	Oconee	Florence		Lancaster
Edgefield	Hampton	Pickens	Lee		York
Greenwood	Jasper	Spartanburg	Marion		
Lexington		Union	Marlboro		
McCormick			Sumter		
Newberry			Williamsburg		
Orangeburg					
Richland					
Saluda					

**State of South Carolina
Local Tax Designation
by County Effective May 1, 2013
Collected by the SC Department of Revenue**



Abbeville	7%	Chesterfield	8%	Hampton	8%	Newberry	7%
Aiken	7%	Clarendon	8%	Horry	8%	Oconee	6%
Allendale	8%	Colleton	7%	Horry (Myrtle Beach)	9%	Orangeburg	7%
Anderson	6%	Darlington	8%	Jasper	8%	Pickens	7%
Bamberg	8%	Dillon	8%	Kershaw	7%	Richland	8%
Barnwell	7%	Dorchester	7%	Lancaster	8%	Saluda	7%
Beaufort	6%	Edgefield	7%	Laurens	7%	Spartanburg	6%
Berkeley	8%	Fairfield	7%	Lee	8%	Sumter	8%
Calhoun	7%	Florence	8%	Lexington	7%	Union	6%
Charleston	8.5%	Georgetown	6%	Marion	8%	Williamsburg	7%
Cherokee	8%	Greenville	6%	Marlboro	8%	York	7%
Chester	8%	Greenwood	6%	McCormick	7%		

Special Notice

- Effective May 1, 2013, Bamberg, Hampton, Lee, and Marion Counties imposed a 1% Capital Projects Tax. Note: 1% local option tax is still in effect.
- Effective May 1, 2013, Richland County imposed a 1% Transportation Tax. Note: 1% local option tax is still in effect.