

Chapter 10

Maximum Tax Items

A. General Information

Infrastructure Maintenance Fee:

This chapter concerns items subject to a maximum tax under South Carolina Code Section 12-36-2110. Please note, however, Act 40 of 2017 imposed a new infrastructure maintenance fee beginning July 1, 2017, and any sale or purchase of an item subject to this fee is exempt from state and local sales and use tax and the casual excise tax. See S.C. Code Ann. § 12-36-2120(83). As a result, certain transactions subject to a maximum sales, use, or casual excise tax prior to July 1, 2017 are now instead subject to an infrastructure maintenance fee remitted to the South Carolina Department of Motor Vehicles (SCDMV).

S.C. Revenue Ruling #25-2 contains charts providing the applicable infrastructure maintenance fee rate, sales and use tax rate, or casual excise tax rate for boat trailers, farm trailers and utility trailers. This revenue ruling is reproduced for reference as Exhibit A of this chapter. For questions regarding the new infrastructure maintenance fee remitted to the SCDMV, please contact the SCDMV at cartaxes@scdmv.net.

Maximum Tax:

The sales, use and casual excise taxes are imposed at the rate of 5%¹ for the sale or lease of tangible personal property subject to a maximum tax. Local taxes administered and collected by the Department on behalf of local jurisdictions do not apply to the sale or lease of tangible personal property subject to a maximum tax.

Maximum Tax Applies to:

(A) A maximum tax of \$500 is established for the sale² or lease³ of each:⁴

- motor vehicle (“Low speed vehicles” that meet the requirements of Code Sections 56-2-110 through 56-2-130 are subject to the \$500 maximum tax.);⁵

¹ The provisions of Code Section 12-36-1110, which increased the sales and use tax rate and the casual excise tax rate from 5% to 6% effective June 1, 2007, do not apply to the sale or lease of tangible personal property subject to the maximum tax.

² The maximum tax only applies for each sale made after June 30, 1984.

³ The maximum tax only applies for each lease executed after August 31, 1985.

⁴ S.C. Code Ann. § 12-36-2110(A), *as amended by* 2017 S.C. Acts 40. Effective July 1, 2017, Act 40 increased the maximum tax from \$300 to \$500 for certain enumerated items.

⁵ See S.C. Revenue Rulings #18-1 and 23-3. As of April 26, 2023, for purposes of the maximum tax provisions of Code Section 12-36-2110, the term “motor vehicle” includes any motorized, self-propelled, and wheeled vehicle that does not run on rails. Therefore, all-terrain vehicles, utility task vehicles, golf carts, and legend race cars are subject to the maximum tax provisions.

- motorcycle (on-road or off-road);
- recreational vehicle, including tent campers, travel trailers, park trailers, motor homes and fifth wheels;
- boat⁶ (The sale of personal watercraft, such as a jet ski,⁷ and a barge⁸ are each the transfer of a “boat” subject to the \$500 maximum tax.);
- watercraft motor (Effective for sales and purchases on or after July 1, 2022.);⁹
- aircraft;
- trailer or semitrailer capable of being pulled only by a truck tractor;
- self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower;¹⁰
- fire safety education trailer; and
- horse trailer.

For the lease of any of the above items to qualify for the \$500 maximum tax, the lease must specifically state the term of, and remain in force for, a period in excess of 90 continuous days. In addition, the sales or use tax applies to each renewal of the lease and the maximum tax for that renewal will only apply if (1) the lease renewal is in writing and (2) the lease renewal specifically states a term of and remains in force for a period in excess of 90 continuous days.

Note: The sale or purchase of any vehicle or other item subject to an infrastructure maintenance fee by Code Section 56-3-627 is exempt from sales and use tax (see Code Section 12-36-2120(83)). See Chart 1 in Exhibit A for examples of transactions subject to the infrastructure maintenance fee and exempt from sales and use tax.

⁶ See the discussion later in this chapter on boats for a complete explanation.

⁷ S.C. Revenue Ruling #18-4.

⁸ S.C. Revenue Ruling #18-5. In addition, a barge permanently affixed to a (1) dock, (2) the ocean, lake or river bottom, or (3) any other realty is not used as a “boat” and is not entitled to the maximum tax under Code Section 12-36-2110.

The Legislature amended Code Section 12-36-2110(A), concerning the sales of items subject to a maximum sales and use tax and maximum casual excise tax (including boats and airplanes), to add watercraft motors. The sales of watercraft motors, effective July 1, 2022, are subject to the sales and use tax and the casual excise tax at a rate of 5%, but no more than \$500. *See* Act No. 237, Section 4, of 2022.

¹⁰ For the maximum tax to apply to self-propelled light construction equipment, the equipment must be used in construction. Equipment purchased for maintenance or repair purposes does not qualify for the maximum tax and is subject to the state sales and use tax at a rate of 6%, plus any applicable local sales and use taxes. *See* S.C. Technical Advice Memorandum #89-13 and Form ST-405.

- (B) A maximum tax of \$300 is established for the sale of each musical instrument, or each piece of office equipment,¹¹ purchased by a religious organization exempt under Internal Revenue Code Section 501(c)(3), provided the musical instrument or office equipment must be located on church property and used exclusively for the organization's exempt purpose. The religious organization must furnish to the seller an affidavit on forms prescribed by the Department. The affidavit must be retained by the seller.
- (C) A maximum tax is established for the sale of a manufactured home¹² as defined in Code Section 40-29-20. The maximum tax applicable to the sale of a manufactured home depends on whether or not the manufactured home meets certain energy efficiency requirements. See the section in this chapter on manufactured homes for details.¹³

Maximum Tax Does Not Apply To:

The following are examples of tangible personal property the sale or lease of which are not subject to the maximum tax:

- trailers or semitrailers capable of being pulled by vehicles other than a truck tractor;¹⁴
- pole trailers;
- boat trailers;¹⁵
- self-propelled light construction equipment with compatible attachments with a net engine horsepower that exceeds 160; and,

Sales or leases of these items are subject to a state tax rate of 6%, plus any applicable local sales and use tax.

Note: The sale or purchase of any vehicle or other item which is subject to an infrastructure maintenance fee by Code Section 56-3-627 is exempt from sales and use tax and the casual excise tax (see Code Section 12-36-2120(83)). See Chart 1 in Exhibit A for examples of transactions subject to the infrastructure maintenance fee and exempt from sales and use tax and the casual excise tax.

¹¹ S.C. Code Ann. § 12-36-2110(C).

¹² S.C. Code Ann. § 12-36-2110(B).

¹³ Manufactured homes designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's energy efficiency requirements, or designated as meeting or exceeding the energy efficiency requirements under each agency's Energy Star program, are exempt from the sales and use tax for sales or purchases from July 1, 2009 through July 1, 2024. See the section in this chapter on manufactured homes for details.

¹⁴ See S.C. Revenue Ruling #14-2.

¹⁵ See the discussion later in this chapter on boats for a complete explanation.

Motor Vehicles Sold to Nonresidents:¹⁶

The sales tax due on a sale to a nonresident¹⁷ of a motor vehicle to be registered and licensed in the nonresident purchaser's state of residence, is as follows:

1. The lesser of:
 - (a) the sales tax which would be imposed on the sale in the purchaser's state of residence, or
 - (b) the tax that would be imposed under Chapter 36 of the South Carolina Code of Laws (the lesser of 5% of the gross proceeds of sale or \$500).
2. No sales tax is due in South Carolina if a nonresident purchaser cannot receive a credit in his resident state for sales tax paid to South Carolina.

Note: Even though a credit will be allowed in the purchaser's state of residence for sales tax paid in South Carolina under this provision, a state or local tax may still be due in the purchaser's state of residence. This may be a result of a higher state tax due in the purchaser's state, a local tax due in the purchaser's state, or other provisions of the state tax law in the purchaser's state of residence (e.g., credit provisions concerning state vs. local taxes).

At the time of the sale, the seller must obtain from the purchaser a notarized statement of the purchaser's intent to license the vehicle in the purchaser's state of residence within 10 days.¹⁸ South Carolina Form ST-385, "Affidavit for Intent to License Motor Vehicle, Trailer, Semitrailer, or Pole Trailer Purchased in South Carolina in Purchaser's State of Residence," may be used. The seller should retain a completed and notarized copy of Form ST-385. The purchaser should give a copy to the appropriate agency (e.g., revenue department, department of motor vehicles) of the purchaser's state of residence.

¹⁶ S.C. Code Ann. § 12-36-930; S.C. Information Letter #14-2. Note: The provisions of this section also apply to trailers, semitrailers, or pole trailers; however, the application of the provisions of Code Section 12-36-930 with respect to trailers, semitrailers, or pole trailers is not discussed in the section because not all trailers, semitrailers, or pole trailers are subject to the maximum tax. For details as to vehicles that are or are not subject to the maximum tax, see the "General Information" section above.

¹⁷ Code Section 12-36-2120(25) exempts sales of motor vehicles (excluding trucks) or motorcycles required to be licensed to be used on the highways, sold to a resident of another state, but who is located in South Carolina by reason of orders of the United States Armed Forces. This exemption is allowed only if within ten days of the sale the vendor is furnished a statement from a commissioned officer of the Armed Forces of a higher rank than the purchaser certifying that the buyer is a member of the Armed Forces on active duty and a resident of another state or if the buyer furnishes a leave and earnings statement from the appropriate department of the armed services designating the state of residence of the buyer.

¹⁸ If the purchaser does not plan to license the vehicle in his state of residence or does not complete the notarized statement, then the provisions of Code Section 12-36-930 are not applicable, and the sale is taxed as if the purchaser were a resident of South Carolina.

Note: Licensed SCDMV dealers remit sales tax to the SCDMV for motor vehicle sales to nonresidents who will register the motor vehicle outside of South Carolina.¹⁹ Retailers who are not licensed SCDMV dealers remit sales tax to the SC Department of Revenue for motor vehicle sales to nonresidents who will register the motor vehicle outside of South Carolina. See Chart 2 in Exhibit A for more information.

B. Boats, Boat Motors, and Boat Trailers²⁰

The following guidelines concern the sales, use, and casual excise tax rates applicable to the sale of boats, boat motors, and boat trailers:

1. A boat sold alone is taxed at the lesser of 5% of the purchase price or \$500.
2. A boat motor sold alone is taxed at the lesser of 5% of the purchase price or \$500.²¹
3. When under twenty-five hundred pounds, privately owned and not for hire, a boat trailer sold alone is taxed at 6% of the purchase price.²² (The casual excise tax does not apply to boat trailers.)
4. A boat sold with a motor permanently attached to it is taxed at the lesser of 5% of the purchase price of the boat and motor or \$500.²³
5. When under twenty-five hundred pounds, privately owned and not for hire, and sold in conjunction with the sale of a boat, a boat trailer is taxed at 6% of the purchase price of the boat trailer. The boat is taxed at the lesser of 5% of the purchase price of the boat or \$500.

¹⁹ Act 40 of 2017 added section 12-36-2110(A)(5) to provide that the sales tax due on sales by dealers (registered with the South Carolina Department of Motor Vehicles) of items subject to a maximum sales tax under Code Section 12-36-2110(A)(1) (e.g., a motor vehicle or motorcycle), which would be subject to the new infrastructure maintenance fee in Code Section 56-3-627 if registered in South Carolina, but will instead be registered in another state, must now be collected by and remitted to the South Carolina Department of Motor Vehicles. Prior to July 1, 2017, the Department collected this tax. For more information regarding transactions when the infrastructure maintenance fee or the sales and use tax applies, and to whom the fee or tax is remitted, *see* S.C. Information Letter #22-17.

²⁰ For purposes of this discussion, beginning July 1, 2017, a boat trailer under twenty-five hundred pounds that is privately owned and not for sale is not required to be registered with South Carolina Department of Motor Vehicles under Code Section 56-3-130. Additionally, boat trailers not meeting the requirements of Code Section 56-3-130 are subject to an infrastructure maintenance fee upon an owner's first registration in South Carolina under Code Section 56-3-627. Sales or purchases of items subject to an infrastructure maintenance fee are exempt from sales and use tax by Code Section 12-36-2120(83).

²¹ The Legislature amended Code Section 12-36-2110(A), concerning the sales of items subject to a maximum sales and use tax and maximum casual excise tax (including boats and airplanes), to add watercraft motors. Effective July 1, 2022, the sales of watercraft motors are subject to the sales and use tax and the casual excise tax at a rate of 5%, but no more than \$500. *See* Act No. 237, Section 4, of 2022.

²² Other boat trailers sold by a retailer are not subject to the IMF or sales tax. The purchaser is responsible for the IMF at the lesser of 5% of the purchase price of the boat trailer or \$500 when registering the trailer with South Carolina Department of Motor Vehicles.

²³ A boat motor is considered permanently attached to a boat if it is (1) an inboard motor or (2) an outboard motor sold mounted to the boat, connected to a permanent steering mechanism, and included in the price of the boat.

6. A boat trailer under twenty-five hundred pounds, which is privately owned and not for hire, sold in conjunction with the sale of a boat that has a permanently attached motor is taxed at 6% of the purchase price of the boat trailer. The boat with a permanently attached motor is taxed at the lesser of 5% of the purchase price of the boat and motor or \$500. (Note: If the price of the boat trailer under twenty-five hundred pounds, which is privately owned and not for hire, is not separately stated from the price of the boat and motor, the boat trailer is subject to tax at 6% of the fair market value of the boat trailer. If the price of the boat trailer under twenty-five hundred pounds, which is privately owned and not for hire, is separately stated from the price of the boat and motor, the price breakdown must be reasonable and supported by the records of the taxpayer, otherwise the trailer will be taxed at 6% of its fair market value.)

Note: All transactions listed above that are (1) subject to a maximum tax of \$500 or (2) subject to the casual excise tax²⁴ are not subject to local sales and use taxes administered and collected by the South Carolina Department of Revenue on behalf of local jurisdictions.²⁵ All transactions listed above not subject to a maximum tax or the casual excise tax (and therefore taxed at 6% for state sales and use tax purposes) are subject to local sales and use taxes administered and collected by the South Carolina Department of Revenue on behalf of local jurisdictions.

For additional information on the sale of boats, boat motors, and boat trailers, see SC Revenue Ruling #25-2.

C. Manufactured Homes

Calculation of the Tax: The maximum tax on the sale of a manufactured home,²⁶ as defined in Code Section 40-29-20, is calculated as follows:

- (1) subtract trade-in allowance from the sales price;
- (2) multiply the result from (1) by 65%;
- (3) if the result from (2) is no greater than \$6,000, multiply by 5% for the amount of tax due;
- (4) if the result from (2) is greater than \$6,000, the tax due is \$300 plus 2% of the amount greater than \$6,000.

Exemption for Tax in Excess of \$300: A manufactured home is exempt from any tax in excess of \$300 that may be due as a result of the calculation in item (4) above if it meets these energy efficiency levels: storm or double pane glass windows, insulated or storm doors, a minimum thermal resistance rating of the insulation only of R-11 for walls, R-19 for floors, and R-30 for ceilings.

²⁴ Effective July 1, 2022, boat motors are subject to a maximum tax. As such, all casual excise tax items are, effective July 1, 2022, subject to a maximum tax.

²⁵ The casual excise tax is imposed for the issuance of a certificate of title, or other proof of ownership, for every boat, boat motor, or airplane required to be registered, titled, or licensed. S.C. Code Ann. § 12-36-1710. It is not a sales or use tax. A local jurisdiction has authority to impose sales and use tax, but not a casual excise tax.

²⁶ S.C. Code Ann. § 12-36-2110(B). *See* Act No. 354 of 2008; Temporary Proviso 73.6 (Act No. 91 of 2019); S.C. Information Letter #19-21; and Act No. 138 of 2020, Section 2.

However, variations in the energy efficiency levels for walls, floors, and ceilings are allowed and the exemption on tax due above \$300 applies if the total heat loss does not exceed that calculated using the levels of R-11 for walls, R-19 for floors, and R-30 for ceilings. The edition of the American Society of Heating, Refrigerating, and Air Conditioning Engineers Guide in effect at the time is the source for the heat loss calculation.

Exemption for Entire Tax Due: Effective July 2, 2024, this exemption is no longer valid.

From July 1, 2009 through July 1, 2024, a manufactured home was exempt from any tax that may be due as a result of the calculation above if it was designated by the United States Environmental Protection Agency and the United States Department of Energy as meeting or exceeding each agency's energy saving efficiency requirements or was designated as meeting or exceeding such requirements under each agency's ENERGY STAR program.

Records Requirements: The dealer selling the manufactured home must maintain records, on forms provided by the State Energy Office, on each manufactured home sold that meets the energy efficiency levels provided above. These records must be maintained for three years and must be made available for inspection upon request of the Department of Consumer Affairs or the State Energy Office.

Note: The maximum tax authorized does not apply to a single-family modular home regulated pursuant to Chapter 43, Title 23.

Furniture and Appliances Sold with the Home: Furniture and appliances are not considered a part of a manufactured or modular home, unless they are built-ins as noted below. For example, televisions, counter appliances, sofas, chairs and tables, even though sold with a home, are not a part of the home. Because these items are not a part of the home, they are taxed separately from the home at 6%, plus any applicable local sales and use tax, of their sales price less any trade-in allowed. The amount upon which the tax is calculated on furniture and appliances that are not built ins is the amount listed in the sales contract for these items or the retail fair market value of these items if the amounts for these items are not listed in the contract or if the amounts listed in the contract do not reasonably represent the retail fair market value of these items.²⁷

Items such as disposals, built-in dishwashers, and built-in stoves are considered a part of the home and are not taxed separately from the home if installed at the time of the retail sale of the home.²⁸

Heat Pumps, Air Conditioning Systems, Etc.: Heat pumps, air conditioning systems, skirting, steps, decks, septic tanks, wells, and driveways built or installed after the home is delivered to the construction site are not considered part of the delivered home and are taxed separately from the home. The sale of these items to, or the purchase of these items by, the person who will build or supply and install them is subject to the tax at a rate of 6%, plus any applicable local sales and use tax.²⁹

²⁷ S.C. Regulation 117-335.4.

²⁸ S.C. Regulation 117-335.4.

²⁹ S.C. Regulation 117-335.5.

D. Musical Instruments and Office Equipment Sold to Religious Organizations

The sale of each musical instrument, or each piece of office equipment,³⁰ purchased by a religious organization exempt under Internal Revenue Code Section 501(c)(3) is subject to a maximum tax of \$300, provided the musical instrument or office equipment is located on church property and used exclusively for the organization's exempt purpose. The religious organization must furnish to the seller an affidavit on forms prescribed by the department (Form ST-382). The affidavit must be retained by the seller.

³⁰ S.C. Code Ann. § 12-36-2110(C).

Exhibit A

Sales of Boat Trailers, Farm Trailers, and Other Utility Trailers

The most current version of this information, as of the date of this publication, is S.C. Revenue Ruling #25-2.

For questions regarding the new infrastructure maintenance fee remitted to the Department of Motor Vehicles, or sales taxes remitted by licensed South Carolina Department of Motor Vehicle dealers to the Department of Motor Vehicles on sales to nonresidents, please contact the Department of Motor Vehicles at cartaxes@scdmv.net.



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE

300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214-0575

SC REVENUE RULING #25-2

SUBJECT: Sales of Boat Trailers, Farm Trailers, and Other Utility Trailers
(Sales and Use Tax)

EFFECTIVE DATE: Applies to all periods open under the statute.

SUPERSEDES: Relevant portions of IL #22-17 and other advisory opinions and any oral directives in conflict herewith.

REFERENCES: Title 12, Chapter 36 of the S.C. Code of Laws (2014, Supp. 2022)
Title 56, Chapter 3 of the S.C. Code of Laws (2014, Supp. 2022)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
S.C. Code Ann. Section 1-23-10(4)
Revenue Procedure #09-3

SCOPE: The purpose of a Revenue Ruling is to provide guidance to the public. It is an advisory opinion issued to apply principles of tax law to a set of facts or general category of taxpayers. It is the Department's position until superseded or modified by a change in statute, regulation, court decision, or another Department advisory opinion.

PURPOSE:

The purpose of this advisory opinion is to update the Department's guidance concerning which boat trailers, farm trailers, and other utility trailers are subject to sales or use tax rather than the Infrastructure Maintenance Fee ("IMF").¹

LAW AND DISCUSSION:

Sales/Use Tax Compared with the Infrastructure Maintenance Fee

¹ Previously, the Department advised the following regarding the sale of "boat trailers," "farm trailers," and "utility trailers": 1) such trailers purchased for "Personal Use" were subject to sales/use tax when purchased from a licensed retailer, and 2) such trailers purchased for "Business Use" are subject to the IMF and exempt from sales/use tax per § 12-36-2120(83).

Code Section 12-36-910(A) states:

A sales tax, equal to [six]² percent of the gross proceeds of sales, is imposed upon every person engaged or continuing within this State in the business of selling tangible personal property at retail.

Code Section 12-36-1310(A) reads:

A use tax is imposed on the storage, use, or other consumption in this State of tangible personal property purchased at retail for storage, use, or other consumption in this State, at the rate of [six] percent of the sales price of the property, regardless of whether the retailer is or is not engaged in business in this State.

Thus, unless an exemption applies, either sales or use tax is imposed at a rate of 6% on all retail sales of tangible personal property.

Items that are subject to the Infrastructure Maintenance Fee are exempt from sales tax. S.C. Code Ann. § 12-36-2120(83). Items that must be registered with the Department of Motor Vehicles are subject to the IMF upon registration. The IMF equals 5% of the gross proceeds of the sale, not to exceed \$500 for a sale by a dealer with a SCDMV license, or 5% of the vehicle's fair market value, not to exceed \$500, for a sale by a person who is not a licensed dealer. Among other things, the IMF applies to sales of vehicles, trailers, and semitrailers. S.C. Code Ann. § 56-3-627.

Chapter 3 of Title 56 generally requires registration of vehicles, trailers, semitrailers, and other items, but expressly exempts from registration boat trailers under twenty-five hundred pounds, farm trailers, and other utility trailers, which are privately owned and not for hire. S.C. Code Ann. § 56-3-130. Because there is no registration requirement, these items are not subject to the IMF. Therefore, sales of boat trailers under twenty-five hundred pounds, farm trailers,³ and other utility trailers, which are privately owned and not for hire, are subject to the sales or use tax.⁴ The dealer must charge sales tax or the purchaser must pay use tax, whichever is applicable.

What are the meanings of farm trailer, utility trailer, privately owned, and not for hire?

To determine the applicability of the IMF compared to the sales/use tax, it is necessary to determine the meaning of each of the above terms. To define these terms, the Department first looks to Title 12 and the applicable tax regulations; the Department also looks to Title 56.⁵ Unfortunately, neither Title 12 nor Title 56 defines any of them. However, related terms are defined in the Code and are helpful in determining the intent of the legislature with respect to the

² S.C. Code Ann. § 12-36-910(A) imposes a 5% sales tax. S.C. Code § 12-36-1110 imposes an additional 1% sales and use tax rate by 1% beginning June 1, 2007.

³ Farm trailers are not specifically exempted from the sales and use tax according to the IMF exemption. S.C. Code § 12-36-2120(83). However, farm machinery is exempt from sales tax pursuant to S.C. Code § 12-36-2120(16) and this would likely include many farm trailers. See SC Revenue Ruling #23-4.

⁴ These trailers are not subject to the maximum tax provisions in S.C. Code Ann. § 12-36-2110.

⁵ Unlike *Jack's Custom Cycles, Inc. v. S.C. Dep't of Revenue*, 439 S.C. 35, 47, 885 S.E.2d 433, 440 (Ct. App. 2023), reh'g denied (Apr. 26, 2023), the Department considered the definitions of "trailer" found in both Title 12 and Title 56 to ensure the "ordinary and popular meaning" was the outcome.

application of either the IMF or the sales/use tax. Finally, because the Code and Regulations are not fully determinative, the Department looks to the ordinary and popular meaning afforded to these terms.

Code Section 56-3-20(13) defines “trailer” as follows:

every vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and constructed so that no part of its weight rests upon the towing vehicle.

S.C. Regulation § 117-301.5(i), which provides guidance related to trailers that qualify for the farm machinery sales tax exemption, is relevant to the Department’s effort to define “farm trailer”:

a flatbed trailer or a stock trailer used for hauling farm crops (i.e. hay, corn, peaches) if the flatbed trailer or stock trailer is used substantially in planting, cultivating, or harvesting such farm crops for sale in their original state of production or preparation for sale.

Finally, S.C. Code Ann. § 12-36-2110(A)(1) lists the types of trailers subject to the partial sales tax exemption, which is commonly known as the “max tax”:

trailer or semitrailer, pulled by a truck tractor, as defined in Section 56-3-20, and horse trailers, but not including house trailers or campers as defined in Section 56-3-710 or a fire safety education trailer [. . .] recreation vehicles, including tent campers, travel trailer, park model, park trailer, motor home, and fifth wheel.

Neither Title 12 nor Title 56 provide definitions for the terms “privately owned” and “not for hire.” Therefore, it is necessary to determine their “ordinary and popular meaning.” The Second College Edition of the American Heritage Dictionary provides the following definitions:

- “Private” - Belonging to a particular person or persons, as opposed to the public or the government
- “Owned” - That which belongs to one

While the term “for hire” is not defined in the Second College Edition of the American Heritage Dictionary, the Code of Federal Regulations defines a “for-hire motor carrier” as “a person engaged in the transportation of goods or passengers for compensation.” 49 CFR § 390.5T. There are a variety of states that define the term similarly. Therefore, the term “for hire” means “used to transport persons or the property of another for compensation.”⁶

The Department, interpreting S.C. Code Ann. § 56-3-130 in conjunction with Titles 12 and 56, tax regulations, Second College Edition of the American Heritage Dictionary, and federal regulations

⁶ In an opinion dated October 7, 2024, the South Carolina Attorney General agreed with the Department’s asserted meaning for this term.

will use the following definitions for “farm trailer,” “utility trailer,” “privately owned,” and “not for hire,” when determining whether sales/use tax should apply to a transaction:

- “farm trailer” – a trailer, as defined in S.C. Code Ann. § 56-3-20(13), used substantially in the planting, cultivating, or harvesting of farm crops (e.g., hay, corn, peaches) for sale in their original state of production or preparation for sale
- “utility trailer” – a trailer, as defined in S.C. Code § 56-3-20(13), that is not a recreational vehicle, fire safety education trailer, horse trailer, boat trailer, or farm trailer
- “privately owned” – belonging to a particular person⁷ (or persons), as defined in S.C. Code Ann. § 56-1-10(22)
- “not for hire” – the use of a trailer for purposes other than transporting persons or the property of another for compensation

Purchases by Nonresidents of South Carolina

Retail sales of boat trailers under 2,500 pounds, farm trailers, and utility trailers by South Carolina retailers to a nonresident who will register it in another home state are subject to state and local sales tax. The sales tax imposed on sales to a nonresident is remitted to the Department of Revenue.⁸

No sales tax is due in South Carolina if a nonresident purchaser cannot receive a credit in the state of registration for sales tax paid to South Carolina.

CONCLUSION

In Information Letter #22-17, the Department suggested that boat trailers under 2,500 pounds, farm trailers, and utility trailers were subject to the IMF if they were for “business use.” Alternatively, according to IL #22-17, those same types of trailers were subject to sales/use tax if they were for “personal use.” The governing statute, however, does not distinguish between business and personal use. It instructs that these sorts of trailers are exempt from registration (and, thus, not subject to the IMF) if they are “privately owned and not for hire.” S.C. Code Ann. § 56-3-130.

⁷ Per S.C. Code Ann. § 56-1-10(22), “person” means “every natural person, firm, partnership, trust, company, firm, association, or corporation. Where the term “person” is used in connection with the registration of a motor vehicle, it includes any corporation, association, partnership, trust, company, firm, or other aggregation of individuals which owns or controls the motor vehicle as actual owner, or for the purpose of sale or for renting, as agent, salesperson, or otherwise.”

⁸ See S.C. Code Ann. § 12-36-930.

Therefore, the following trailers, if they belong to a “person”⁹ and are not used to transport persons or property for a consideration are subject to state and local sales or use tax, rather than the Infrastructure Maintenance Fee:

- boat trailers under twenty-five hundred pounds;
- trailers, as defined in S.C. Code Ann. § 56-3-20(13), used substantially in the planting, cultivating, or harvesting of farm crops for sale in their original state of production for sale;¹⁰ and
- trailers, as defined in S.C. Code Ann. § 56-3-20(13), that are not recreational vehicles, fire safety education trailers, horse trailers, or boat trailers.

If a taxpayer’s only business is renting trailers, then the gross proceeds, or sales price, from the rental to its customer are subject to state and local sales or use tax. The taxpayer will not owe sales tax upon purchase of the trailers in its inventory because those are wholesale purchases.

As a reminder, each retailer’s records must be able to substantiate whether the sale of a trailer described in this Advisory Opinion was subject to or exempt from the sales or use tax.

The attached charts provide both general information and the applicable rate for the infrastructure maintenance fee or the sale and use tax for each of the above scenarios.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/W. Hartey Powell

W. Hartley Powell, Director

February 11, 2025
Columbia, South Carolina

⁹ The applicable definition of “person” is found at S.C. Code Ann. § 56-1-10(22).

¹⁰ See footnote 4.

CHART 1: UTILITY TRAILERS, BOAT TRAILERS UNDER 2,500 POUNDS, AND FARM TRAILERS PURCHASED IN SOUTH CAROLINA BY A SOUTH CAROLINA RESIDENT			
ITEM PURCHASED	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV	PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers - Not Privately Owned and For Hire	No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83) or S.C. Code § 12-36-2120(16) No IMF Collected by Retailer IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)		No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers - Privately Owned and Not For Hire	Sales Tax Remitted by Retailer to DOR 6% + Local (Unless Exempt Under S.C. Code Ann. §12-36-2120(16))		No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers - Not Privately Owned and Not For Hire	No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83) or S.C. Code § 12-36-2120(16) No IMF Collected by Retailer IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)		No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500

CHART 1: UTILITY TRAILERS, BOAT TRAILERS UNDER 2,500 POUNDS, AND FARM TRAILERS PURCHASED IN SOUTH CAROLINA BY A SOUTH CAROLINA RESIDENT			
ITEM PURCHASED	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV	PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers Privately Owned and For Hire	No Sales Tax Due Since Transaction is Exempt Under S.C. Code § 12-36-2120(83) or S.C. Code § 12-36-2120(16) No IMF Collected by Retailer IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500 (However, if Payment of a Sales Tax can be Documented, No IMF is Due)		No Sales Tax or Casual Excise Tax Due on Transaction and No IMF Collected by Seller IMF Remitted by Buyer to DMV Upon Registration 5% up to \$500

Sales and Use Tax Exemptions

Chart 1 provides the tax rate for various sales and use tax transactions. Notwithstanding the above, some sales may be exempt under S.C. Code Ann. § 12-36-2120 (e.g., farm trailers used in planting, cultivating, and harvesting of farm crops - S.C. Code § 12-36-2120(16)) and therefore not subject to the tax.

Purchases by Nonresidents for First Registration or Use in South Carolina

Chart 1 pertains to boat trailers under 2,500 pounds, farm trailers, and utility trailers that are purchased and registered in South Carolina by South Carolina residents. However, Chart 1 also applies to boat trailers under 2,500 pounds, farm trailers, and utility trailers when purchased by nonresidents for use in South Carolina (sales or use tax), unless otherwise exempt.

Out-of-State - Delivery by a Retailer or by a Common Carrier on Behalf of a Retailer

Notwithstanding the above, a sale is exempt from state and local sales and use tax if the seller, by contract of sale, is obligated either (1) to deliver the item to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina or (2) to deliver the item to a common carrier or the U.S. mail for transportation to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina. See S.C. Code § 12-36-2120(36).

Active Duty Military Members

See Chart 2 for information on the taxes and fees imposed on active duty military members, if any.

CHART 2: UTILITY TRAILERS, BOAT TRAILERS UNDER 2,500 POUNDS, AND FARM TRAILERS PURCHASED IN SOUTH CAROLINA BY A NONRESIDENT TO BE REGISTERED OR USED OUTSIDE OF SOUTH CAROLINA			
ITEM PURCHASED	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS A LICENSED DEALER WITH SCDMV	PURCHASED FROM A LICENSED RETAILER WITH SCDOR WHO IS NOT A LICENSED DEALER WITH SCDMV	PURCHASED FROM A NONRETAILER (A person not in the business of selling tangible personal property at retail - e.g., a casual sale by an individual)
Boat Trailers under 2,500 pounds	Sales Tax Remitted by Retailer to DOR Lesser of sales tax imposed in the Purchaser's state of residence or 6% + Local		No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Utility Trailers	See Notes 1 and 2 for exceptions Sales Tax Remitted by Retailer to DOR Lesser of sales tax imposed in the Purchaser's state of residence or 6% + Local		No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Farm Trailers	See Notes 1 and 2 for exceptions Sales Tax Remitted by Retailer to DOR Lesser of sales tax imposed in the Purchaser's state of residence or 6% + Local		No Sales Tax, Casual Excise Tax, or IMF Due on Transaction
Nonresident Military and Spouse Trailers Purchased by a Non-Resident Member of the Military (including Spouse) Located in South Carolina by Reason of Orders of the US Armed Forces	No IMF or Sales Tax Remitted on Transaction if the license, fee, or excise is paid by the servicemember in the servicemember's state of domicile or residence. Exempt Under Servicemember Civil Relief Act See §§ 3911 (Definitions), 4001 (Exemption for Personal Property), and 49 U.S. Code § 30102 (Definition of Motor Vehicle) Servicemember Civil Relief Act		No Sales Tax, Casual Excise Tax, or IMF Due on Transaction No IMF due on Transaction if the license, fee, or Excise is paid by the Servicemember in the Servicemember's State of Domicile or residence.

CHART 2 GENERAL INFORMATION

Sales and Use Tax Exemptions

Chart 1 provides the tax rate for various sales and use tax transactions. Notwithstanding the above, some sales may be exempt under S.C. Code Ann. § 12-36-2120 (e.g., farm trailers used in planting, cultivating, and harvesting of farm crops - S.C. Code § 12-36-2120(16)) and therefore not subject to the tax.

Purchases by Nonresidents for First Registration or Use in South Carolina

Chart 1 pertains to boat trailers under 2,500 pounds, farm trailers, and utility trailers that are purchased and registered in South Carolina by South Carolina residents. However, Chart 1 also applies to boat trailers under 2,500 pounds, farm trailers, and utility trailers when purchased by nonresidents for use in South Carolina (sales or use tax), unless otherwise exempt.

Information on Surrounding States

Certain surrounding states offer credit for any sales tax paid in South Carolina. To further assist, a list of the surrounding states Revenue and Taxation departments are listed below:

<u>State</u>	<u>Website</u>
Alabama	https://revenue.alabama.gov
Florida	https://floridarevenue.com
Georgia	https://dor.georgia.gov
North Carolina	https://www.ncdor.gov
Tennessee	https://www.tn.gov/revenue.html
Virginia	https://www.tax.virginia.gov/

Out-of-State - Delivery by a Retailer or by a Common Carrier on Behalf of a Retailer

Notwithstanding the above, a sale is exempt from state and local sales and use tax if the seller, by contract of sale, is obligated either (1) to deliver the item to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina or (2) to deliver the item to a common carrier or the U.S. mail for transportation to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina. See S.C. Code § 12-36-2120(36).

Active Duty Military Members

Resident Military Members: See Chart 1 for registration or purchases by military members who are residents of South Carolina.

Nonresident Military Members: See Chart 2 for information on the taxes and fees imposed on active duty military members, if any.

CHART 2 NOTES

Note 1: Purchases by Nonresidents for Registration in the Purchaser's State of Residence

Code Section 12-36-930 provides that the sales tax due on a sale to a nonresident of a motor vehicle, trailer, semitrailer, or pole trailer that is to be registered and licensed in the nonresident purchaser's state of residence, is the lesser of (1) the sales tax which would be imposed on the sale in the purchaser's state of residence or (2) the tax that would be imposed in South Carolina.

No sales tax is due in South Carolina if (1) a nonresident purchaser cannot receive a credit in his resident state for sales tax paid to South Carolina or (2) the nonresident's state does not impose a sales tax on the sale of a motor vehicle, trailer, semitrailer, or pole trailer.

Note 2: Out-of-State Delivery by a Retailer or by a Common Carrier on Behalf of a Retailer

Notwithstanding the above, a sale is exempt from state and local sales and use tax if the seller, by contract of sale, is obligated either (1) to deliver the item to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina, or (2) to deliver the item to a common carrier or the US mail for transportation to the buyer (or an agent or donee of the buyer) at a point outside of South Carolina. See S.C. Code § 12-36-2120(36).

CHART 3: UTILITY TRAILERS, BOAT TRAILERS UNDER 2,500 POUNDS, AND FARM TRAILERS PREVIOUSLY REGISTERED OUTSIDE OF SOUTH CAROLINA	
Item Previously Registered Outside of South Carolina	Infrastructure Maintenance Fee (IMF)
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers Previously Registered Out-of-State by the Owner and Subsequently Registered in SC for the first time by the Same Owner – Not Privately Owned and For Hire	IMF Remitted by Owner to DMV \$250
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers Previously Registered Out-of-State by the Owner and Subsequently Registered in SC for the first time by the Same Owner – Privately Owned and Not For Hire	No IMF Due on Registration in South Carolina Exempt Under S.C. Code § 56-3-627(D)(1)
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers Previously Registered Out-of-State by the Owner and Subsequently Registered in SC for the first time by the Same Owner – Not Privately Owned and Not For Hire	IMF Remitted by Owner to DMV \$250

CHART 3: UTILITY TRAILERS, BOAT TRAILERS UNDER 2,500 POUNDS, AND FARM TRAILERS PREVIOUSLY REGISTERED OUTSIDE OF SOUTH CAROLINA	
Item Previously Registered Outside of South Carolina	Infrastructure Maintenance Fee (IMF)
Boat Trailers under 2,500 pounds, Farm Trailers, and Utility Trailers Previously Registered Out-of-State by the Owner and Subsequently Registered in SC for the first time by the Same Owner – Privately Owned and For Hire	IMF Remitted by Owner to DMV \$250
<i>Active Duty Military Member and Family (Resident or Nonresident):</i> Trailer Previously Registered Out-of-State by Active Duty Military or Spouse/ Dependent and Subsequently Registered for the <u>first</u> time in SC by Same Owner	No IMF Due on Registration in South Carolina Exempt Under S.C. Code § 56-3-627(D)(2)

Exhibit B

Infrastructure Maintenance Fee, Sales/Use Tax, and Casual Excise Tax Implications of Purchases by SC Residents, Nonresidents, and Military Personnel

The most current version of this information, as of the date of this publication, is S.C. Information Letter #22-17.

For questions regarding the new infrastructure maintenance fee remitted to the Department of Motor Vehicles, or sales taxes remitted by licensed South Carolina Department of Motor Vehicles dealers to the Department of Motor Vehicles on sales to nonresidents, please contact the Department of Motor Vehicles at cartaxes@scdmv.net.



STATE OF SOUTH CAROLINA
DEPARTMENT OF REVENUE
300A Outlet Pointe Blvd., Columbia, South Carolina 29210
P.O. Box 125, Columbia, South Carolina 29214-0575

SC INFORMATION LETTER #22-17

SUBJECT: South Carolina Infrastructure and Economic Development Reform Act

EFFECTIVE DATE: May 10, 2021, for IMF Titling and Lessee Issues; July 1, 2022, for Sales and Use Tax and Casual Excise Tax Issues Involving Boat Motors; and July 1, 2017 for All Other Issues Except as Noted for Mopeds

SUPERSEDES: SC Information Letter #17-10 and all previous advisory opinions and any oral directives in conflict herewith.

REFERENCE: S.C. Code Ann. Section 56-3-627 (Supp. 2021)
Chapter 36 of Title 12 (2014, Supp. 2021)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
SC Revenue Procedure #09-3

SCOPE: An Information Letter is a written statement issued to the public to announce general information useful in complying with the laws administered by the Department. An Information Letter has no precedential value.

PURPOSE

The purpose of this Information Letter is to update the guidance provided in SC Information Letter #17-10 (Revised) to reflect the following law changes:

1. Infrastructure Maintenance Fee – Titling: Code Section 56-3-627 was amended, effective May 10, 2021, to also impose the infrastructure maintenance fee on the first titling of each vehicle, trailer, semitrailer, or other item required to be registered pursuant to Chapter 3 of Title 56. Previously, the infrastructure maintenance fee only applied to first registration of a vehicle, trailer, semitrailer, or other item with the SC Department of Motor Vehicles (“SCDMV”). The infrastructure maintenance fee statute was also amended to apply, in addition to an owner, to a lessee first titling or registering a vehicle, trailer, semitrailer, or other item with SCDMV.

2. Maximum Tax – Watercraft Motors: Code Section 12-36-2110(A), concerning the sales of items subject to a maximum sales and use tax and maximum casual excise tax, has been amended to add watercraft motors (e.g., boat motors). The sales of watercraft motors, effective July 1, 2022, are subject to the sales and use tax and the casual excise tax at a rate of 5%, but no more than \$500. With this amendment, sales of watercraft motors are exempt, effective July 1, 2022, from all local sales and use taxes administered and collected by the South Carolina Department of Revenue (“SCDOR”).

OVERVIEW OF NEW INFRASTRUCTURE MAINTENANCE FEE

In 2017, the General Assembly enacted the South Carolina Infrastructure and Economic Development Reform Act to address the needs of South Carolina’s transportation infrastructure system and to set the state on the path towards a first-class road network. As part of its effort to improve the state’s transportation infrastructure network, the infrastructure maintenance fee was enacted and became effective July 1, 2017.

Registration in South Carolina upon Purchase or Lease: The owner or lessee of each vehicle, trailer, semitrailer, or other item that must be registered pursuant to Chapter 3 of Title 56 must pay the infrastructure maintenance fee upon first titling or registering the vehicle, trailer, semitrailer, or other item with the SCDMV. The infrastructure maintenance fee is remitted to SCDMV and is imposed at a rate of 5% of the gross proceeds of the sale, not to exceed \$500, for a sale by a licensed SCDMV dealer or 5% of the vehicle’s fair market value, not to exceed \$500, for a sale by a person who is not a SCDMV licensed dealer.

Sales that are subject to the new infrastructure maintenance fee are exempt from the state and local sales and use taxes.

If a dealer has a South Carolina retail license or offers to license, title, or register the item, then the dealer must collect the infrastructure maintenance fee and remit it to the SCDMV. Generally, based on information from the SCDMV, a dealer is a person in the business of selling motor vehicles (e.g., cars, trucks, motorcycles, and motor homes) that is licensed with SCDMV. A dealer also includes, a person licensed with SCDMV in the business of selling mopeds.

Registration in South Carolina after First Registration in Another State: The infrastructure maintenance fee is also imposed when a vehicle, trailer, semi-trailer, or other item required to be registered under Chapter 3 of Title 56 was first registered in another state by the owner and is subsequently registered for the first time in South Carolina by the same owner. This infrastructure maintenance fee is \$250.

CHARTS FOR DEALERS, OTHER RETAILERS, AND NONRETAILERS

The SCDOR, in coordination with the SCDMV, is updating the charts first issued in SC Information Letter #17-10 to assist dealers and other retailers in determining: (1) whether the sale is subject to the new infrastructure maintenance fee or the sales and use tax; (2) whether to remit the infrastructure maintenance fee to the SCDMV or remit the sales and use tax on sales to nonresidents to the SCDMV or the SCDOR; and (3) the rate of the infrastructure maintenance fee or the sales and use tax.

Attached are the three updated charts that address the following categories of sales, with each chart providing information concerning the type of vehicle, the fee or tax that applies to the transaction, the fee or tax rate, and the maximum fee or tax (if applicable):

- Chart 1: Motor Vehicles and Other Items Purchased and Registered or Titled in South Carolina by a South Carolina Resident and Other Items Purchased by a South Carolina Resident
- Chart 2: Motor Vehicles and Other Items Purchased in South Carolina by a Nonresident to be Registered, Titled, or Used Outside of South Carolina
- Chart 3: Motor Vehicles and Other Items Previously Registered Outside of South Carolina

Chart 1 and Chart 2 address three types of transactions – (1) purchases from licensed SCDOR retailers who are also licensed SCDMV dealers (e.g., a motor vehicle dealership); (2) purchases from licensed SCDOR retailers who are not licensed SCDMV dealers (e.g., a retailer selling motor vehicles from its delivery fleet); and (3) purchases from nonretailers (e.g., a casual sale by an individual).

GENERAL SUMMARY

While these charts provide information about many different types of vehicles and other items, it is not an all-inclusive list of transactions. The application of the new infrastructure maintenance fee or the sales and use tax can generally be summarized as follows (unless the transaction is otherwise exempt):

General Rule

- If the vehicle is required to be registered and is registered or titled with the SCDMV, the Infrastructure Maintenance Fee applies and is remitted to the SCDMV.
- If the vehicle is of a type that is not required to be registered or titled with the SCDMV, then the sales tax would apply and is remitted to the SCDOR (e.g., a utility trailer for personal use).

Sales to Nonresidents

- If the vehicle is subject to the maximum tax provisions of Code Section 12-36-2110(A)(1) (e.g., motor vehicle, motorcycle, recreational vehicle), is of the type that would be registered in South Carolina if not for it being registered out-of-state, and is sold by a SCDMV licensed dealer to a nonresident who will register it in his home state, then the sales tax applies and is remitted to the SCDMV. (Note: The sales tax imposed on such sales to a nonresident by a person who is not a licensed SCDMV dealer is remitted to the SCDOR.)

However, based on Code Sections 12-36-930 and 12-36-2120, the sales tax is not due if (1) the purchaser's state of residence does not impose a sales tax on motor vehicles, trailers, semitrailers, or pole trailers, (2) the purchaser's state of residence does not allow a credit against his use tax for sales tax paid on such items in South Carolina, or (3) the sale is otherwise exempt from the sales tax.

- If the vehicle is not subject to the maximum tax provisions of Code Section 12-36-2110(A)(1) and is sold to a nonresident who will register it in his home state, then the sales tax applies and it is remitted to the SCDOR.

Casual Excise Tax

- The casual excise tax no longer applies to motor vehicles and motorcycles. The casual excise tax only applies to aircraft, boats, and boat motors. The infrastructure maintenance fee, however, is paid at the time of registration.

The attached charts provide the applicable rate for the infrastructure maintenance fee or the sales and use tax for each of the above scenarios and also provide general information, including information on exemptions for active duty military members.

ADDITIONAL INFORMATION

If you have questions regarding the infrastructure maintenance fee remitted to the SCDMV, or sales taxes remitted by licensed SCDMV dealers to the SCDMV on sales to nonresidents, please contact the SCDMV at cartaxes@scdmv.net.

If you have questions regarding all other sales and use tax matters, please contact the SCDOR at (803) 898-5000 or salestax@dor.sc.gov.