

ST-389 Instructions

These instructions are for the paper version of the ST-389, Schedule for Local Taxes. We recommend filing the ST-389 using MyDORWAY, our free online tax portal, available at MyDORWAY.dor.sc.gov.

The ST-389 is used to report Local Sales and Use Taxes, which must be reported by county and municipality.

Complete the Sales and Use Tax Worksheet on the ST-3 before making entries on the ST-389.

You are **required** to file a tax return even if there is no tax due for the period.

When filing **No Sales** returns, enter zero on the ST-389 for the county or municipality where your business is located.

Do not write on the lines that do not pertain to you.

Returns are due by the 20th of the month.

ST-389 Information

Taxpayers are required to file the ST-389 with the ST-3 if:

- The retailer is located in a county or municipality that imposes a local tax OR
- The retailer is delivering into a county or municipality with a local tax

If you do not make sales or deliveries in a county or municipality that imposes a Local Sales and Use Tax, you do not need to complete the ST-389.

For more information see SC Revenue Ruling #09-9, available at dor.sc.gov/policy.

ST-389 Worksheet Instructions

Complete the worksheet section of the ST-389 when reporting amounts subject to a Local Sales and Use tax if you sold, purchased, or delivered goods or certain services for use in a county or municipality with a local tax. Use the worksheet to determine the proper amount you are required to report on the ST-389.

Item 1. Total - Gross Proceeds of Sales/Rentals, Use Tax and Withdrawals of Inventory for Own Use:

Enter the same amount reported on the worksheet of your state Sales and Use Tax return (Item 3 of the ST-3).

Item 2. Local Tax Allowable Deductions: Enter deductions here which are not subject to local taxes. All deductions should be itemized under Column A, with the deduction amount shown in Column B.

Certain transactions are subject to the state's Sales and Use Tax rate but are exempt from the Local Sales and Use Tax rate. Some examples are:

- Deliveries to counties or municipalities without local tax
- Sales subject to the Maximum Sales and Use Tax (such as aircrafts, boats, manufactured homes, etc.)

Quarterly and annual filers paying tax on the first reporting period after the implementation date may use the worksheet to calculate the amounts not subject to the local tax.

Before claiming a deduction on the ST-389 worksheet, you should review the exemptions relating to a particular local tax since they may differ from the state tax exemptions claimed. (For example, if a deduction was itemized on the state tax return worksheet for the 1% state tax rate reduction for individuals age 85 or older, the amount itemized as a deduction on the state tax return worksheet would not be applicable as a deduction on item 2 of the ST-389 worksheet).

Sales of unprepared foods are exempt from the state Sales and Use Tax rate. However, local taxes still apply to sales of unprepared foods unless the local tax law specifically exempts such sales. As a result, sales of unprepared foods that are subject to a local tax must be included on the ST-389 worksheet.

There are various local Sales and Use Taxes which are imposed in addition to state Sales and Use Tax. Some local taxes may provide the same exemptions, while others may be different. As a result, you should examine the amounts reported for a particular local tax before reporting the net taxable amount for a particular local tax. For an updated list of counties which impose local taxes and the specific exemptions applicable to each, visit dor.sc.gov/tax/sales-and-use.

If you have questions regarding exemptions, contact us at SalesTax@dor.sc.gov.

Item 3. Total Amount of Deductions: Enter the total allowable deductions from Column B.

Item 4. Net Sales and Purchases: Subtract item 3 from item 1. The total should match Column A, line 1, page 5 from the ST-389.

The amount on line 1, page 5 of your ST-389 will not match item 4 of your ST-389 worksheet when:

- Your sales, purchases, and withdrawals are made or delivered into a county or municipality with more than one local tax type OR
- more than one local tax type is reported

Do not claim credits on this form. To claim a refund, log in to your MyDORWAY account at MyDORWAY.dor.sc.gov.

Instructions for Completing Pages 1-5

The ST-389 has individual sections to report each local tax. Use only the specific local tax codes to report sales in locations subject to the applicable local tax. You can find these codes on the ST-575, available at dor.sc.gov/tax/sales. **Only one entry per line is allowed.** You can attach additional pages if more lines are needed.

Name of County or Municipality and Code: Enter the name and four-digit code of the county or municipality where a sale or delivery takes place when the county or municipality has a local tax. You can find a list of County and Municipality Codes on the ST-575, available at dor.sc.gov/tax/sales.

Column A - Net Taxable Amount: Enter the net taxable sales or purchases made for each county or municipality.

Column B - Local Tax: Multiply Column A by 1% and enter the amount in Column B.

Determine Total Amount Due

Line 1: Enter the total of all net taxable sales listed in Column A of the ST-389 and additional ST-389 pages, if applicable, on line 1 of page 5. Be sure to include the total of all entries from all pages.

Line 2: Add all local taxes due and enter the total of Column B on line 2 of page 5.

Entering Tax from the ST-389

Enter the amount from Column B, line 2 in the summary on line 5 of the ST-3.

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

You must attach all applicable pages of the ST-389 to your ST-3.