



# Moving to S.C.

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## **A TAX GUIDE FOR NEW RESIDENTS**

SOUTH CAROLINA DEPARTMENT OF REVENUE

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

For more specific information, call or visit one of the six South Carolina Department of Revenue Taxpayer Service Center locations listed in this publication.

## **INDIVIDUAL 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 taxes 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 for income received from any qualified retirement plan.
- At age 65, all residents are eligible for a deduction of up to \$15,000 from any source of income.
- Reserve pay income received from the National Guard or armed forces for annual training and weekend drills is exempt from tax.
- Disability income from a total and permanent disability is deductible.
- South Carolina does not tax Social Security benefits or railroad retirement.
- Interest from federal obligations is deductible.
- A 100% deduction of the federal personal exemption is allowed for each child under the age of six.
- A deduction is allowed for a special needs adopted child.

### ***CREDITS***

- A refundable tuition credit for up to 25% for tuition paid to South Carolina colleges may be available for those who qualify. The maximum credit is \$850/year for four-year schools and \$350/year for two-year schools.

- A two-wage earner credit allows married couples to take credit of up to \$210 if both spouses work.
- A maximum credit of \$300 is available for payments of in-home nursing care.
- A credit is allowed for taxes paid to another state on income taxable in both states.
- A child/dependent care credit allows an individual to claim 7% of federal allowable expenses.

### ***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, they must be added back to your taxable income on your state return.
- The deduction on your federal return for state income tax paid may need to be added back to your taxable income on your state return.

### ***PART-YEAR RESIDENT***

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 part-year resident, you will claim all of your income as though you were a resident for the entire year and take credit for any taxes paid in another state. As a non-resident, you will report only income 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 best.

### ***FILING YOUR 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.

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

- Electronic filing using a professional tax preparer
- Online filing using available commercial software
- SCDOR website using available vendors
- Paper return

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. This deadline does not apply to federal income tax returns or to taxpayers filing paper returns.

## **ESTIMATED TAX**

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

## **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 which support public schools and services.

### ***RESIDENTIAL PROPERTY***

The market value of a legal residence 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 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.

Millage rates vary from county to county, and you would need to check with officials in the county where you wish to reside in order 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.

The assessment ratio on a second home owned by you is 6%. Property tax relief does not apply to a second home. The exemption for school operating purposes does not apply to a second home.

To find out more about tax on real estate, contact the assessor in the county where you live or plan to reside.

### ***VEHICLE PROPERTY***

Personal property taxes are collected annually on cars, motorcycles, recreational vehicles, boats

and airplanes, based on values listed in SCDOR publications supplied to counties.

The value of your vehicle is multiplied by the assessment ratio (6% for personal motor vehicles) to determine the assessed value. The applicable millage rate is multiplied by the assessed value to determine the amount of personal property tax that you owe.

For more information about personal property tax, contact the auditor's office in the county where you plan to reside.

## **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 behalf of local jurisdictions is for school projects, road improvements, capital projects and other purposes.

Prescription medicines, dental prosthetics, 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.

A use tax is imposed on purchases made out-of-state when an equal amount of sales or use tax was not paid in the other state at the time of purchase. If you purchase goods from the internet, catalogs, television shopping networks and/or other out-of-state businesses and did not pay sales tax, you must report and pay the 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 SCDOR's website, [dor.sc.gov](http://dor.sc.gov).

The tax rate information on the attached chart, ST-500 (located on page 7), 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 map of all counties with local taxes can be found at [dor.sc.gov/tax/sales](http://dor.sc.gov/tax/sales).

## **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.

For information regarding vehicle registration, driver's licenses and more, please contact the South Carolina Department of Motor Vehicles or visit [scdmvonline.com](http://scdmvonline.com).

## NEED MORE 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 tax registration is available on our website, [dor.sc.gov](http://dor.sc.gov).

South Carolina Department of Revenue: [dor.sc.gov](http://dor.sc.gov)  
South Carolina State Government: [sc.gov](http://sc.gov)

## WHO TO CALL

SCDOR Main Line	803-898-5000
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	803 898-5000
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:

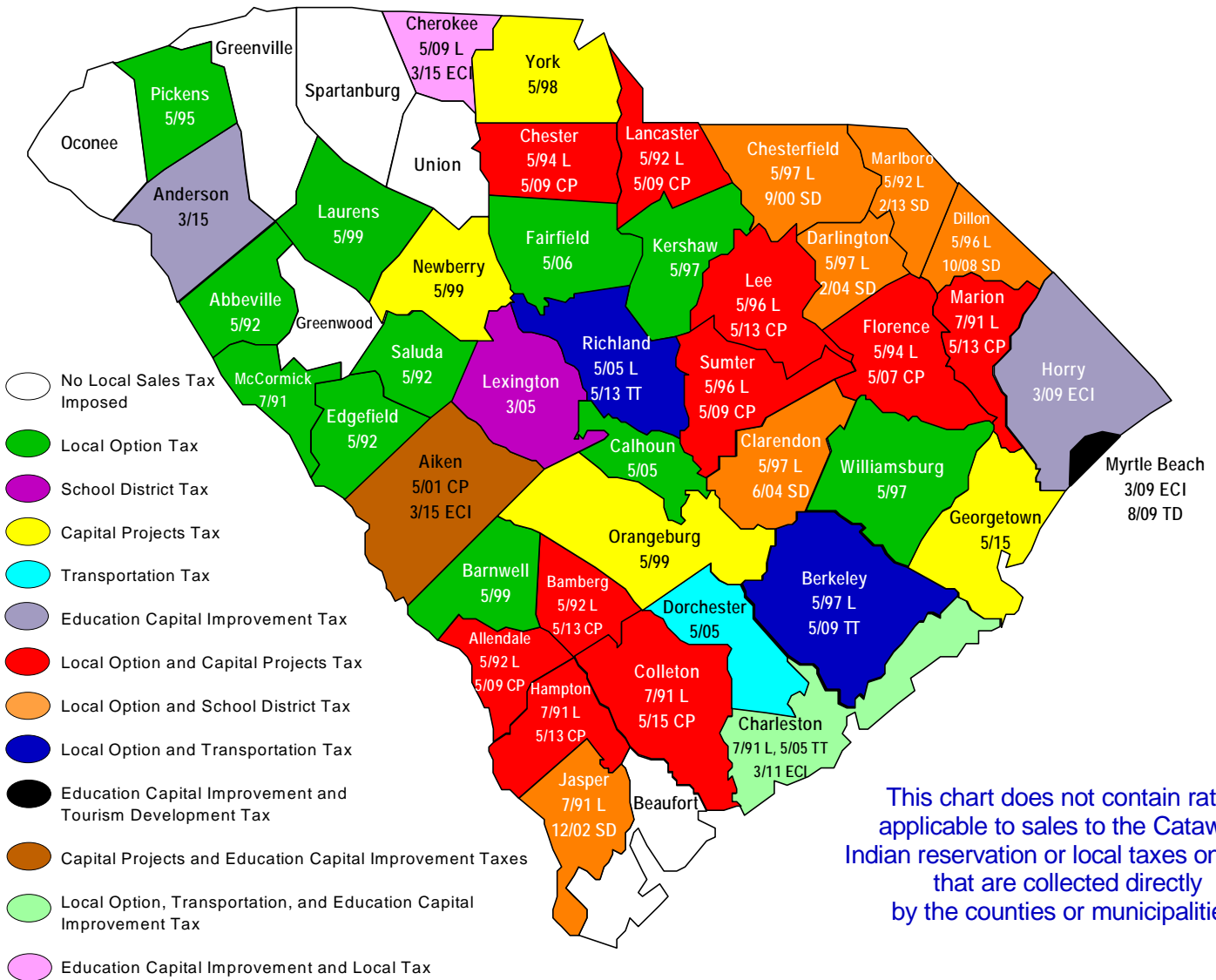
South Carolina Department of Revenue  
Communication  
PO Box 125  
Columbia, SC 29214

## TAXPAYER SERVICE CENTERS

Charleston Service Center	2 South Park Circle Suite 100 Charleston, SC 29407 (843) 852-3600
Columbia Main Office	300A Outlet Pointe Boulevard P.O. Box 125 Columbia, SC 29210 (803) 898-5000
Florence Service Center	1452 West Evans Street P.O. Box 5418 Florence, SC 29501 (843) 661-4850
Greenville Service Center	545 North Pleasantburg Drive Suite 300 Greenville, SC 29607 (864) 241-1200
Myrtle Beach Office	1350 Farrow Parkway, Ste. 200 P.O. Box 30427 Myrtle Beach, SC 29577 (843) 839-2960
Rock Hill Service Center	454 South Anderson Road Business and Technology Center Suite 202 P.O. Box 12099 Rock Hill, SC 2973 (803) 324-7641

Satellite Office locations can be found at [dor.sc.gov/contact/in-person](http://dor.sc.gov/contact/in-person).

# State of South Carolina Local Tax Designation by County Effective May 1, 2015 Collected by the SC Department of Revenue



This chart does not contain rates applicable to sales to the Catawba Indian reservation or local taxes on sales that are collected directly by the counties or municipalities.

Abbeville	7%	Chesterfield	8%	Hampton	8%	Newberry	7%
Aiken	8%	Clarendon	8%	Horry	7%	Oconee	6%
Allendale	8%	Colleton	8%	Horry (Myrtle Beach)	8%	Orangeburg	7%
Anderson	7%	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	7%	Marion	8%	Williamsburg	7%
Cherokee	8%	Greenville	6%	Marlboro	8%	York	7%
Chester	8%	Greenwood	6%	McCormick	7%		

### Special Notice

- Effective May 1, 2015, Colleton (Note: Colleton's 1% Local Option tax is still in effect) and Georgetown County will impose a 1% Capital Projects tax.
- Effective March 1, 2015, Aiken, Anderson, and Cherokee will impose a 1% Education Capital Improvement tax. (Cherokee County's 1% School District tax is repealed)