

Sales and Use Tax Exemptions / Exclusions in FY2012-2013

Line	Code Section	Year Enacted	Description of Exemption	FY2013 Exemption Estimate (Dollars)	FY2013 Subtotal (Dollars)	Notes
1	12-36-2110		Maximum Sales Tax Caps			
2	(A)	1984	Maximum tax on sale or lease of motor vehicles, motorcycles, boats, airplanes, trailer or semitrailer pulled by a truck, horse trailers, recreational vehicles, and self-propelled light construction equipment	169,119,572		
3	(A)(1)		Airplanes, including unassembled aircraft which is to be assembled by the purchaser		1,215,000	
4	(A)(2)		Motor vehicles		148,700,000	
5	(A)(3)		Motorcycles		2,582,748	
6	(A)(4)		Boats		4,954,212	
7	(A)(5)		Trailer or semitrailers, pulled by a truck tractor, and horse trailers		825,527	
8	(A)(6)		Recreational vehicles, including tent campers, travel trailer, park model, park trailer, motor home, and fifth wheel		7,912,005	
9	(A)(7)		Self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower		2,930,080	
10	(B)		Sale of manufactured homes	5,076,600		
11	(C)		Sale of musical instruments or office equipment purchased by religious organizations	96,396		
12	(D)		Repealed: Machines used in research and development (refer to Section 12-36-2120(56))	Repealed		
13	(E)		Equipment provided, supplied, or installed on a firefighting vehicle	963,960		
14						
15	12-36-2120		Exemptions From Sales Tax			
16	(1)	1951	Tangible personal property or receipts of business which the State is prohibited from taxing by the US or SC Constitutions	0		
17	(2)	1984	Tangible personal property sold to the federal government	244,552,800		
18	(3)	1951	Textbooks, books, magazines, periodicals, newspapers, and on-line access used in a course of study in all schools or for students' use in the school library	15,553,974		
19	(4)	1951	Sale of livestock used primarily as beasts of burden and livestock that provide, food, pelts, or fur	82,209,300		
20	(5)	1951	Feed used for production and maintenance of poultry and livestock	41,853,480		
21	(6)	1951	Insecticides, chemicals, fertilizers, soil conditioners, seeds, or seedlings, or nursery stock, used in production of farm, dairy, grove, vineyard, or garden products, or in the cultivation of poultry or livestock feed	20,576,340		
22	(7)	1951	Containers and labels used in preparing agriculture, dairy, grove, or garden products, turpentine gum, gum spirits of turpentine, and gum resin for sale	612,000		
23	(8)	1951	Newsprint paper, newspapers, religious publications, including the Holy Bible, and the SC Department of Agriculture's "The Market	13,101,656		
24			Newsprint paper		3,680,363	
25			Newspaper sales		9,140,727	
26			The Holy Bible			*
27			The Market Bulletin		10,566	
28	(9)	1951	Coal, or coke, or other fuel sold to manufacturers, electric power companies, and transportation companies	127,485,792		
29			Electric Utility		87,867,531	
30			Other Industry (Manufacturers)		26,896,265	
31			Transportation		12,721,996	
32	(10)	1951	Meals or foodstuffs used in furnishing meals to school children, and meals provided to the elderly, disabled, homeless, needy, or disabled adults	7,804,174		
33	(11)	1986	Toll charges for the transmission of voice or messages between telephone exchanges and transactions	57,814,950		
34	(A)		Toll charges for the transmission of voice messages between telephone exchanges (long distance)		38,881,200	
35	(B)		Charges for telegraph messages		negligible	
36	(C)		Carrier and customer access charges established by the FCC or the SC Public Service Commission		17,013,750	
37	(D)		Automatic teller machine transactions		1,920,000	
38	(12)	1951	Water sold by public utilities, if rates and charges are the kind determined by the Public Service Commission or water sold by nonprofit corporations organized under Chapter 36 of Title 33	19,629,637		
39	(13)	1951	Fuel, lubricants, and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce. (Commonly referred to as vessel bunkering)	14,572,404		
40	(14)	1951	Wrapping paper, wrapping twine, paper bags, and containers used in the sale and delivery of tangible personal property	27,671,968		
41	(15)	1988	Motor fuel, blended fuel, and alternative fuel subject to tax under Chapter 28 Title 12	721,793,461		
42	(A)		On-Highway		698,848,578	
43	(A)		Off-Highway		22,944,883	
44	(C)		Farm machinery and tractors		1,619,442	
45	(D)		Commercial fishing vessels		14,115,865	
46			Construction		6,984,450	
47			Military		225,126	

48	(16)	1951	Farm machinery and replacement parts and attachments used in planting, cultivating or harvesting farm crops, the preservation of milk on dairy farms, and machines used in poultry production on poultry farms, when sold in the original state of production or preparation for sale	8,351,000		
49	(17)	1951	Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale	69,889,455		
50	(18)	1951	Fuel used exclusively to cure agriculture products	934,110		
51	(19)	1951	Electricity used by cotton gins, manufacturers, miners, or quarriers to manufacture, mine, or quarry tangible personal property for sale	97,031,815		
52	(20)	1951	Railroad cars, locomotives, and their parts, monorail cars, and the engines or motors that propel them, and their parts	352,710		
53	(21)	1951	Vessels and barges of more than 50 tons burden	169,546		
54	(22)	1990	Missile assembly materials used by the Armed Forces of the US	Classified		
55	(23)	1951	Farm, grove, vineyard, and garden products, sold in the original state of production or preparation for sale, when sold by the producer or members of the producers immediately family	693,042		
56	(24)	1986	Supplies and machinery used by laundries, cleaning, dyeing, pressing, or garment rental establishments (excludes coin-operated laundromats)	1,932,492		
57	(25)	1985	Motor vehicles (excluding trucks) or motorcycles sold to out-of-state residents of the US Armed Forces when by reason of orders is located in SC	800,000		
58	(26)	1993	Supplies, technical equipment, machinery, and electricity sold to radio and television stations, and cable television systems, for use in producing, broadcasting, or distributing programs	10,568,784		
59	(27)	1990	Plants and animal sales to public zoos or gardens or its nonprofit support corporations	4,290		
60	(28)	1976	Medicine and prosthetic devices sold by prescription, radiopharmaceuticals used in treatment of cancer and other related diseases, free samples donated by manufacturer, and medicines used to prevent respiratory syncytial virus	448,752,036		
61	(A)		Medicine and prosthetic devices		435,842,016	
62	(B)		Diabetic supplies, including hypodermic needles, insulin, and blood sugar test strips		9,996,000	
63	(C)		Disposable medical supplies used in the treatment of patient outside of a hospital, skilled nursing facility, or ambulatory surgical treatment center		260,400	
64	(D)		Medicine donated by its manufacturer to SC medical schools for research, or for treatment of indigent patients		90,420	
65	(E)		Dental prosthetics		2,563,200	
66	(29)	1996	Sale of tangible personal property by persons under written contract with the federal government where the property is later transferred to the federal government	0		
67	(30)	1978	Supplies, commodities, and services resold by the Division of General Services of State Budget and Control Board to departments and state agencies, if the tax was paid on the divisions original purchase	0		
68	(31)	1979	Vacation time sharing plans, vacation multiple ownership interests, and exchanges of interests in vacation time sharing plans and vacation multiple ownership interests as provided by Chapter 32 of Title 27, and any other exchange of accommodations in which the accommodations to be exchanged are the primary consideration	3,306,240		
69	(32)	1979	Natural and liquefied petroleum gas and electricity used exclusively in the production of poultry, livestock, swine, and milk	1,300,000		
70	(33)	1979	Electricity or any combustible heating material or substance used for residential purposes	276,725,575		
71			Electricity		208,305,660	
72			Natural Gas		35,985,035	
73			Kerosene		11,128,400	
74			Fuel Oil		12,526,530	
75			Coal		22,230	
76			LP Gas		8,757,720	
77	(34)	1980	Modular homes, both on-frame and off-frame, 50% of gross proceeds of the sale	762,450		
78	(35)	1983	Motion picture film sold or rented to or by theaters	2,825,765		
79	(36)	1983	Tangible personal property sold out of state	0		
80	(37)	1983	Petroleum asphalt products, used in paving, purchased in this state, which are transported and consumed out of state	614,000		
81	(38)	1985	Hearing aids	2,897,063		
82	(39)	1986	Concession sales at a festival by an organization devoted exclusively to public or charitable purposes	475,000		
83	(40)	1988	Containers and chassis, including parts, components, and attachments, sold to international shipping lines in contract with th SC State Ports Authority and used for the import and export of goods to and from South Carolina	550,000		
84	(41)	1989	Organizations exempt under 12-37-220(A),(3-4), and B(5-8), (12), (16), (19), (22), and (24), if the net proceeds are used exclusively for exempt purposes and no benefit inures to any individual	6,725,000		
85	(42)	1989	Depreciable assets, used in the operation of a business, pursuant to the sale of the business, when the entire business is sold by the owner and the purchaser continues operation of the business	125,000		
86	(43)	1991	All supplies, technical equipment, machinery, and electricity sold to motion picture companies for use in filming or producing a motion	359,146		
87	(44)	1991	Electricity used to irrigate crops	296,040		
88	(45)	1991	Building materials, supplies, fixtures, and equipment for the construction, repair or improvement of commercial housing of poultry or	417,555		
89	(46)	1991	War memorials or monuments, including US military vessels, affixed to public property	50,000		
90	(47)	1994	Tangible personal property sold to charitable hospitals serving children where care is provided without charge	50,000		
91	(48)	1994	Solid waste disposal collection bags when the county or political subdivision requires the purchase of a specific bag for solid waste	38,979		

92	(49)	1994	Postage paid by a person engaged in the business of selling advertising services for clients	825,000		
93	(50)	1995	Recycling property, including fuels and gasses of any type, fluids, and lubricants used by a qualified recycling facility	2,827,022		
94	(51)	1996	Material handling systems and equipment used in distribution or manufacturing facilities	1,400,000		
95	(52)	1996	Parts and supplies used by business for repairing aircraft owned or leased to the federal government or commercial air carriers	561,567		
96	(53)	1996	Motor vehicle extended service contracts and warranties	3,194,280		
97	(54)	1999	Clothing and attire for working in a Class 100 or better clean room environment	40,000		
98	(55)	2000	Audiovisual masters made or used by a production company for first generation reproduction	60,000		
99	(56)	2000	Machines used in research and development	5,475,600		
100	(57)	2000	Sales tax holiday in August (beginning the first Friday in August at 12:01 AM and ending at 12:00 midnight the following Sunday)	2,250,000		
101	(58)	2000	Cooperative direct mail promotional advertising materials, and promotional maps, brochures, pamphlets, or discount coupons by nonprofit chambers of commerce or convention and visitor bureaus, delivered to residents of SC at no charge from locations inside or outside the State	886,400		
102	(59)	2001	Facilities for transmitting electricity that is transferred, sold, or exchanged to a limited liability company controlling electric	0		
103	(60)	2001	Lottery ticket sales	38,552,130		
104	(61)	2002	Copies of or access to legislation or other informational documents provided to the general public or any other person by a legislative agency when a charge for these copies is made reflecting the agency's cost of the copies	7,500		
105	(62)	2003	Seventy percent of portable toilet gross rental sales or leases	487,220		
106	(63)	2005	Prescription and over-the-counter medicines and supplies sold to charitable clinics	229,700		
107	(64)	2005	Sweet grass baskets made by SC artists	374,400		
108	(65)	2006	Computer equipment used in a technology intensive facility	0		
109	(66)	2006	Electricity used by a technology intensive facility	0		
110	(67)	2006	Sales tax on construction materials of a new or expanded single manufacturing or distribution facility with a capital investment of at least \$100 million in real and personal property at a single site	14,160,000		
111	(68)	2006	Any property sold to the public through a sheriff's sale as provided by law	58,116		
112	(69)	2006	The sale or renewal of a warranty, maintenance, or similar service contract if the sale of the personal property covered by the contract is exempt or excluded from sales tax	Reserved		
113	(70)	2007	Gold, silver, or platinum bullion; legal tender coins and currency	82,860		
114	(71)	2007	Any device, equipment, or machinery operated by hydrogen or fuel cells, or any device, equipment, or machinery used to generate, produce, or distribute hydrogen	0		
115	(72)	2007	Building materials used to construct a new or renovated building or any machinery or equipment located in a research district	1,200,000		
116	(73)	2007	Amusement park rides and any parts, machinery, and equipment used to assemble and operate a ride or performance venue facility	2,070,000		
117	(74)	2007	Durable medical equipment which is paid by state or federal Medicaid funds	2,523,045		
118	(75)	2007	Unprepared food that may be purchased with United States Department of Agriculture food coupons	435,200,249		
119	(76)	2008	Sales tax holiday on firearms (beginning the Friday after Thanksgiving at 12:01 AM and ending at 12:00 midnight the following			
120	(77)	2008	Sales tax holiday on noncommercial home and personal energy efficient products meeting or exceeding the requirements of the ENERGY STAR program with a sales price of \$2,500 or less			**
121	(78)	2010	Machinery and equipment, building and other raw materials, and electricity used by a nonprofit facility used for researching and testing the impact of natural disasters on building materials used in residential, commercial, and agricultural buildings	240,000		**
122						
123	12-36-2130					
124	(1)		Use Tax Exemption	Included with Sales Tax		
125	(2)		Purchases made by museums and exhibition rentals purchased or leased for sources outside of the State	36,000		
126						
127	12-36-2610		Discount for timely filed payment of tax, maximum discount of \$10,000 for voluntarily registered out-of-state retailers and \$3,000 for all other retailers (\$3,100 for retailers filing by EFT)	25,120,420		
128						
129	12-36-2620					
130	(2)		1% sales tax exemption for those 85 years and older	4,219,466		
131						
132			Provisos			
133	89.44		Tangible personal property purchased for use in private primary and secondary schools, including kindergartens and early childhood education programs			
134	89.67	2005	Respiratory syncytial virus medicines	2,358,175		
135	89.72	2006	Viscosupplementation therapies sales (For FY2011-12, the provision is suspended)	440,001		
136						
137			Total Sales and Use Tax Exemptions	3,052,364,706		

Notes: * = Exemption ruled unconstitutional.
** = Act 338 of 2008 creating the exemptions was declared unconstitutional by the S.C. Supreme Court in *South Carolina v. The American Petroleum Institution & BP Products North America, Inc.*, May 4, 2009. Statutory exemption is not effective.

Sources: South Carolina Department of Revenue; South Carolina Budget and Control Board, Office of Economic Research; Legislative Printing and Information Technology Resources.
South Carolina Board of Economic Advisors 4/23/12