

SALES AND USE TAX EXEMPTION REPORT



Estimates for FY 2025-26 to FY 2028-29
for the 2026-2027 Legislative Session

Released September 2026

South Carolina Revenue and Fiscal Affairs
Rembert C. Dennis Building, Suite 400
Columbia, SC 29201
(803)-734-3793
www.rfa.sc.gov

Introduction

This report provides an estimate of the amount by which state revenue is reduced due to sales tax exemptions. Amounts shown include an estimate for the portion of the tax that is collectible and the portion that would not be collectible even if the sales tax exemption is eliminated due to other considerations as noted. Estimates are based on the state 6 percent sales tax rate, with exceptions as noted. Local sales taxes are estimated in the aggregate based on an average local tax rate. The estimates for the current and upcoming fiscal years are subject to change as more data becomes available.

This report contains comprehensive updates to data and methodologies as appropriate. Estimates are not comparable to previous reports.

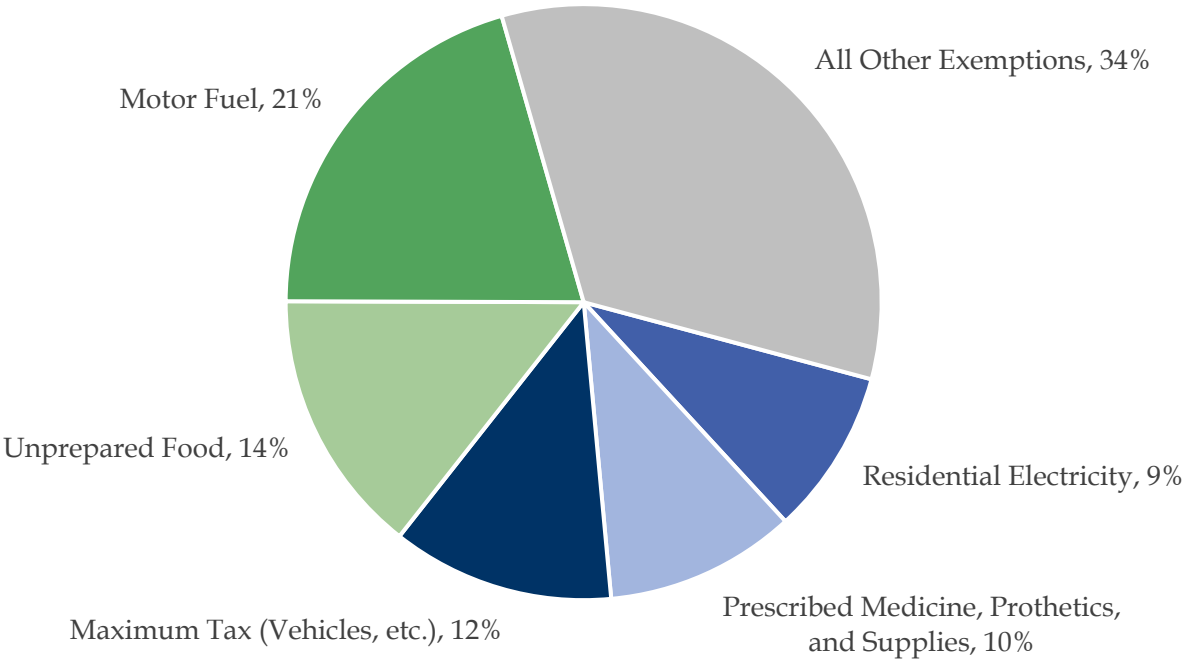
These estimates are based on current economic activity and tax law provisions at the time of publication. Please be aware that these estimates may not represent the future fiscal impact estimate for the removal of the exemption. Estimating the removal of an exemption will involve more analysis such as updated economic conditions, interaction with other tax provisions, and behavioral impacts. Consequently, RFA reserves the right to modify or change these calculations in performing its duty to provide fiscal estimates of proposed legislation under Section 2-7-71 of the Code of Laws of South Carolina.

Summary

Based on the estimated sales and use tax exemptions presented in this report, five exemptions make up approximately 66 percent of the FY 2025-26 total estimated state sales and use tax exemptions, and all other exemptions contribute approximately 34 percent. Of the five exemptions:

- Motor fuel pursuant to Section 12-36-2120(15) accounts for 21 percent,
- Unprepared food pursuant to Section 12-36-2120(75) accounts for 14 percent ,
- Motor vehicles and other items subject to the maximum tax pursuant to Section 12-36-2110(A) account for 12 percent,
- Prescribed medicine, prosthetics, and supplies pursuant to Section 12-36-2120(28) account for 10 percent, and
- Residential electricity pursuant to Section 12-36-2120(33) accounts for 9 percent.

DISTRIBUTION OF TOTAL SALES TAX AND USE EXEMPTION ESTIMATES
FY 2025-26



Note: Distribution reflects percentages across total collectible amounts.

FY 2025-26

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Retail & Business							
1	12-36-2110(A)	1984	Maximum tax on sale or lease of aircraft, motor vehicles, motorcycles, boats, trailers or semitrailers pulled by a truck tractor, horse trailers, recreational vehicles, and self-propelled light construction equipment	1/	\$461,353,000	\$461,353,000	\$0
2	12-36-2110(A)(1)(a)		Aircraft, including unassembled aircraft which is to be assembled by the purchaser	1/	\$8,308,000	\$8,308,000	\$0
3	12-36-2110(A)(1)(b)		Motor vehicles	1/	\$424,170,000	\$424,170,000	\$0
4	12-36-2110(A)(1)(c)		Motorcycles	1/	\$2,544,000	\$2,544,000	\$0
5	12-36-2110(A)(1)(d)		Boats	1/	\$9,699,000	\$9,699,000	\$0
6	12-36-2110(A)(1)(e)		Trailers or semitrailers, pulled by a truck tractor, and horse trailers	1/	\$335,000	\$335,000	\$0
7	12-36-2110(A)(1)(f)		Recreational vehicles, including tent campers, travel trailers, park model, park trailer, motor homes, and fifth wheel	1/	\$11,433,000	\$11,433,000	\$0
8	12-36-2110(A)(1)(g)		Self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower	1/	\$4,864,000	\$4,864,000	\$0
9	12-36-2110(B)	1984	Manufactured homes		\$15,426,000	\$15,426,000	\$0
10	12-36-2110(C)	1984	Musical instruments or office equipment purchased by religious organizations exempt under IRC Sec. 501(c)(3)	2/	N/A	N/A	N/A
11	12-36-2110(E)	1984	Equipment provided, supplied, or installed on a firefighting vehicle		\$1,435,000	\$1,435,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Retail & Business							
12	12-36-2120(3)	1951	Textbooks, books, magazines, periodicals, newspapers, and online access used in a course of study in all schools or for students' use in the school library		\$16,792,000	\$16,792,000	\$0
13	12-36-2120(8)	1951	Newsprint paper, newspapers, religious publications, including the Holy Bible, and the SC Department of Agriculture's "The Market Bulletin"		\$3,280,000	\$3,280,000	\$0
14			<i>Newsprint paper</i>		\$749,000	\$749,000	\$0
15			<i>Newspaper sales</i>		\$2,526,000	\$2,526,000	\$0
16			<i>The Holy Bible</i>	3/	N/A	N/A	N/A
17			<i>The Market Bulletin</i>		\$5,000	\$5,000	\$0
18	12-36-2120(11)(d)	1951	Automatic teller machine transactions		\$2,903,000	\$2,903,000	\$0
19	12-36-2120(14)	1951	Wrapping paper, wrapping twine, paper bags, and containers used in the sale and delivery of tangible personal property		\$50,187,000	\$50,187,000	\$0
20	12-36-2120(15)	1951	Motor Fuel, blended fuel, and alternative fuels, not including gasoline used in aircraft		\$782,907,321	\$782,907,321	\$0
21			<i>Fuels subject to tax under Chapter 28 of Title 12</i>		\$777,367,837	\$777,367,837	\$0
22			<i>Fuels used in farm machinery and farm tractors</i>		\$3,003,686	\$3,003,686	\$0
23			<i>Fuels used in commercial fishing vessels</i>		\$2,535,798	\$2,535,798	\$0

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Retail & Business							
24	12-36-2120(24)	1959	Supplies and machinery used by laundries, cleaning, dyeing, pressing, or garment rental establishments (excludes coin-operated laundromats)		\$1,406,000	\$1,406,000	\$0
25	12-36-2120(25)	1967	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		\$1,021,000	\$1,021,000	\$0
26	12-36-2120(26)	1967	Supplies, technical equipment, machinery, and electricity sold to radio and television stations, and cable television systems, for use in producing, broadcasting, or distributing programs		\$12,303,000	\$12,303,000	\$0
27	12-36-2120(31)	1979	Vacation time sharing plans and exchange of accommodations in which the accommodation to be exchanged is the primary consideration	4/	\$5,487,000	\$5,487,000	\$0
28	12-36-2120(33)	1979	Electricity or any combustible heating material or substance used for residential purposes		\$343,236,000	\$343,236,000	\$0
29			Electricity		\$298,245,000	\$298,245,000	\$0
30			Natural Gas		\$35,036,000	\$35,036,000	\$0
31			Fuel Oil		\$605,000	\$605,000	\$0
32			Kerosene		\$239,000	\$239,000	\$0
33			LP Gas		\$8,835,000	\$8,835,000	\$0
34			Coal		\$0	\$0	\$0
35			Other combustible material		\$276,000	\$276,000	\$0
36	12-36-2120(34)	1981	Fifty percent of gross proceeds of the sale of a modular home, both on-frame and off-frame		\$1,369,000	\$1,369,000	\$0

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					Total	Collectible	Non-Collectible
Retail & Business							
37	12-36-2120(35)	1982	Motion picture film sold or rented to or by theaters	5/	\$0	\$0	\$0
38	12-36-2120(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		\$575,000	\$575,000	\$0
39	12-36-2120(43)	1991	All supplies, technical equipment, machinery, and electricity sold to motion picture companies for use in filming or producing motion pictures		\$396,000	\$396,000	\$0
40	12-36-2120(48)	1994	Solid waste disposal collection bags when the county or political subdivision requires the purchase of a specific bag for solid waste disposal	6/	\$0	\$0	\$0
41	12-36-2120(49)	1994	Postage paid by a person engaged in the business of selling advertising services for clients		\$1,248,000	\$1,248,000	\$0
42	12-36-2120(53)	1996	Motor vehicle extended service contracts and extended warranty contracts		\$39,914,000	\$39,914,000	\$0
43	12-36-2120(57)	2000	Sales tax holiday during the first weekend in August on clothing, footwear, and qualified school supplies		\$1,500,000	\$1,500,000	\$0
44	12-36-2120(60)	2001	Lottery ticket sales	7/	\$135,002,000	\$0	\$135,002,000
45	12-36-2120(62)	2003	Seventy percent of the gross rental sales or leases of portable toilets		\$1,153,000	\$1,153,000	\$0
46	12-36-2120(64)	2005	Sweet grass baskets made by South Carolina artists		\$375,000	\$375,000	\$0
47	12-36-2120(65)	2006	Computer equipment used in a technology intensive facility		N/A	N/A	N/A
48	12-36-2120(66)	2006	Electricity used by a technology intensive facility		N/A	N/A	N/A

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Retail & Business							
49	12-36-2120(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		\$29,863,000	\$29,863,000	\$0
50	12-36-2120(72)	2007	Building materials used to construct a new or renovated building or any machinery or equipment located in a research district		\$2,121,000	\$2,121,000	\$0
51	12-36-2120(73)	2007	Amusement park rides and any parts, machinery, and equipment used to assemble and operate a ride or performance venue facility		\$33,303,000	\$33,303,000	\$0
52	12-36-2120(75)	2007	Unprepared food that may be purchased with United States Department of Agriculture food coupons		\$550,987,000	\$550,987,000	\$0
53	12-36-2120(76)	2008	Sales tax holiday on handguns, rifles, and shotguns (beginning the Friday after Thanksgiving at 12:01 AM and ending at 12:00 midnight the following Saturday)	3/	N/A	N/A	N/A
54	12-36-2120(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	3/	N/A	N/A	N/A

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Retail & Business							
55	12-36-2120(79)	2012	Computers, computer equipment, computer software and electricity used within a datacenter where a taxpayer invests at least \$50/\$75 million over a five-year period and creates and maintains at least 25 full-time jobs with an average cash compensation of 150 percent of the per capita income level of the State or of the county where the facility is located	8/	\$0	\$0	\$0
56	12-36-2120(83)	2017	Any item subject to the fee set forth in Section 56-3-627	1/	N/A	N/A	N/A
57	12-36-2110(84)	2024	Feminine hygiene products		\$12,028,000	\$12,028,000	\$0
58	12-36-2130(2)	1988	Purchases made by museums and exhibition rentals purchased or leased for sources outside of the State		\$47,000	\$47,000	\$0
59	12-36-2610	1959	Discount for timely filed payment of tax, maximum discount of \$10,000 for out-of-state retailers, \$3,000 for all other retailers (\$3,100 for retailers filing by EFT)		\$51,602,000	\$51,602,000	\$0
60	12-36-2620(2)	1990	One percent sales tax exemption for those individuals 85 years and older		\$11,125,000	\$11,125,000	\$0
61	12-36-2140	2019	The State Ports Authority shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	9/	N/A	N/A	N/A
62	58-9-3100	2026	All supplies, technical equipment, machinery, and electricity sold to internet access service providers and communications service providers for use in producing, broadcasting, or distributing internet access service, communications service, or any combination thereof, the total amount of refund claims shall not exceed \$10 million for any year		N/A	N/A	N/A

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Retail & Business							
63	Proviso 88.5	2019	The Navy Base Intermodal Facility owned by Palmetto Railways, a division of the Department of Commerce, shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	10/	N/A	N/A	N/A
64	Proviso 117.163	2023	Sales by a person including, but not limited to, artists, craftsmen, or hobbyists, who makes sales not more than four times in the fiscal year at a fair, festival, carnival, or event that operates for a period of less than twelve consecutive days	10/	\$14,000	\$14,000	\$0
Subtotal Retail and Business					\$2,570,358,321	\$2,435,356,321	\$135,002,000
Medical							
65	12-36-2120(28)	1974	Medicine and prosthetic devices sold by prescription, radiopharmaceuticals used in treatment of cancer and other related diseases, free samples distributed by its manufacturer, and medicines used to prevent respiratory syncytial virus		\$668,618,000	\$395,668,000	\$272,951,000
66	12-36-2120(28)(a)		Medicine and prosthetic devices		\$645,334,000	\$384,038,000	\$261,296,000
67	12-36-2120(28)(b)		Diabetic supplies, including hypodermic needles, insulin, and blood sugar test strips		\$7,591,000	\$3,536,000	\$4,055,000
68	12-36-2120(28)(c)		Disposable medical supplies used in the treatment of a patient outside of a hospital, skilled nursing facility, or ambulatory surgical treatment center		\$1,191,000	\$783,000	\$409,000

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Medical							
69	12-36-2120(28)(d)		Medicine donated by its manufacturer to a public institution of higher education for research or for treatment of indigent patients		\$58,000	\$58,000	\$0
70	12-36-2120(28)(e)		Dental prosthetic devices		\$8,550,000	\$7,253,000	\$1,297,000
71	12-36-2120(28)(f)		Prescription drugs dispensed to Medicare Part A patients residing in a nursing home		\$5,894,000	\$0	\$5,894,000
72	12-36-2120(38)	1985	Hearing aids		\$10,594,000	\$10,594,000	\$0
73	12-36-2120(63)	2005	Prescription and over-the-counter medicines and medical supplies sold to charitable medical and dental clinics		\$297,000	\$297,000	\$0
74	12-36-2120(74)	2025	Durable medical equipment and related supplies as defined under federal and state Medicaid or Medicare laws, which is paid directly by funds of the state or the U.S. under the Medicaid or Medicare programs and sold by a provider who holds a South Carolina retail sales license.		\$38,790,000	\$7,321,000	\$31,469,000
75	12-36-2120(80)	2012	Injectable medications and injectable biologics administered by a physician in the physician's office or in a Center for Medicare or Medicaid Services (CMS) certified kidney dialysis facility		\$8,414,000	\$2,962,000	\$5,452,000
76	Proviso 117.54	2005	Respiratory syncytial virus medicines	11/	N/A	N/A	N/A
77	Proviso 117.58	2006	Viscosupplementation therapies sales	10/	\$567,000	\$461,000	\$107,000
78	Proviso 117.162	2023	For meeting the requirements of Section 12-36-2120(80) for insertable medicine used in the prevention, treatment, or cure of ophthalmologic diseases or conditions, the definition of a physician's office includes an independent surgery center and a hospital-based outpatient department	10/	\$151,000	\$78,000	\$73,000
Subtotal Medical					\$727,431,000	\$417,381,000	\$310,052,000

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Utilities							
79	12-36-2120(9)	1951	Coal, or coke, or other fuel sold to manufacturers, electric power companies, and transportation companies		\$150,475,000	\$150,475,000	\$0
80			Manufacturing (Industrial)		\$35,705,000	\$35,705,000	\$0
81			Electric utilities		\$81,866,000	\$81,866,000	\$0
82			Transportation companies		\$32,904,000	\$32,904,000	\$0
83	12-36-2120(11)	1951	Toll charges for the transmission of voice or messages between telephone exchanges and transactions		\$16,263,000	\$16,263,000	\$0
84	12-36-2120(11)(a)	1951	Toll charges for the transmission of voice messages between telephone exchanges (long distance)		\$14,045,000	\$14,045,000	\$0
85	12-36-2120(11)(b)	1951	Charges for telegraph messages	2/	N/A	N/A	N/A
86	12-36-2120(11)(c)	1951	Carrier and customer access charges established by the Federal Communications Commission or the SC Public Service Commission		\$2,218,000	\$2,218,000	\$0
87	12-36-2120(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		\$100,388,000	\$100,388,000	\$0
88	12-36-2120(59)	2001	Facilities for transmitting electricity that is transferred, sold, or exchanged to a limited liability company controlling electric transmission assets	12/	N/A	N/A	N/A
Subtotal Utilities					\$283,389,000	\$283,389,000	\$0

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Manufacturing							
89	12-36-2120(17)	1951	Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale		\$156,734,000	\$156,734,000	\$0
90	12-36-2120(19)	1951	Electricity used by cotton gins, manufacturers, miners, or quarriers to manufacture, mine, or quarry tangible personal property for sale		\$112,022,000	\$112,022,000	\$0
91	12-36-2120(50)	1995	Recycling property, including fuels and gasses of any type, fluids, and lubricants used by a qualified recycling facility		\$3,854,000	\$3,854,000	\$0
92	12-36-2120(51)	1996	Material handling systems and equipment used in a distribution or manufacturing facility		\$20,581,000	\$20,581,000	\$0
93	12-36-2120(52)	1996	Parts and supplies used by persons engaged in the business of repairing or reconditioning aircraft		\$2,483,000	\$2,483,000	\$0
94	12-36-2120(54)	1999	Clothing and attire for working in a Class 100 or better clean room environment	13/	N/A	N/A	N/A
95	12-36-2120(55)	2000	Audiovisual masters made or used by a production company in making visual and audio images for first generation reproduction		\$51,000	\$51,000	\$0
96	12-36-2120(56)	2000	Machines used in research and development		\$15,044,000	\$15,044,000	\$0
97	12-36-2120(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	13/	N/A	N/A	N/A
98	109.12	2021	Clothing required by Current Good Manufacturing Practices at perishable prepared food manufacturing facilities		\$26,000	\$26,000	\$0
Subtotal Manufacturing					\$310,795,000	\$310,795,000	\$0

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					Total	Collectible	Non-Collectible
Government							
99	12-36-2120(2)	1984	Tangible personal property sold to the federal government		\$174,737,000	\$0	\$174,737,000
100	12-36-2120(22)	1990	Missile assembly materials used by the Armed Forces of the United States		\$10,000	\$0	\$10,000
101	12-36-2120(27)	1974	Plants and animals sold to any publicly supported zoological park or garden or any of its nonprofit support corporations	2/	N/A	N/A	N/A
102	12-36-2120(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	14/	N/A	N/A	N/A
103	12-36-2120(30)	1977	Supplies, commodities, and services resold by the Division of General Services of the Department of Administration to departments and state agencies, if the tax was paid on the division's original purchase	15/	N/A	N/A	N/A
104	12-36-2120(46)	1991	War memorials or monuments honoring units of the US Armed Forces or National Guard, including US military vessels, affixed to public property	2/	N/A	N/A	N/A
105	12-36-2120(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		\$1,000	\$1,000	\$0
106	12-36-2120(68)	2006	Any property sold to the public through a sheriffs sale as provided by law		\$34,000	\$34,000	\$0
107	12-36-2120(70)	2007	Gold, silver, or platinum bullion; legal tender coins and currency		\$1,432,000	\$1,432,000	\$0
Subtotal Government					\$176,214,000	\$1,467,000	\$174,747,000

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					Total	Collectible	Non-Collectible
Agriculture							
108	12-36-2120(4)	1951	Sale of livestock used primarily as beasts of burden and livestock that provide, food, pelts, or fur		\$122,343,000	\$122,343,000	\$0
109	12-36-2120(5)	1951	Feed used for production and maintenance of poultry and livestock		\$57,295,000	\$57,295,000	\$0
110	12-36-2120(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		\$27,981,000	\$27,981,000	\$0
111	12-36-2120(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		\$1,341,000	\$1,341,000	\$0
112	12-36-2120(16)	1951	Farm machinery and parts used in planting, cultivating, or harvesting farm crops, the preservation of milk, and machines used in poultry production, when sold in the original state of production or preparation for sale		\$12,055,000	\$12,055,000	\$0
113	Proviso 109.19	2026	ATVs and UTVs are considered farm machinery if used in the planting, cultivating, or harvesting of farm crops for sale	10/	N/A	N/A	N/A
114	12-36-2120(18)	1951	Fuel used exclusively to cure agriculture products		\$3,001,000	\$3,001,000	\$0
115	12-36-2120(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		\$47,850,000	\$47,850,000	\$0
116	12-36-2120(32)	1979	Natural and liquefied petroleum gas and electricity used exclusively in the production of poultry, livestock, swine, and milk		\$3,034,000	\$3,034,000	\$0

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					Total	Collectible	Non-Collectible
Agriculture							
117	12-36-2120(44)	1991	Electricity used to irrigate crops		\$523,000	\$523,000	\$0
118	12-36-2120(45)	1991	Building materials, supplies, fixtures, and equipment for the construction, repair or improvement of commercial housing of poultry or livestock		\$7,870,000	\$7,870,000	\$0
119	Proviso 117.135	2022	Local and state sales tax collection for material handling and construction materials on agribusiness facilities that invest at least \$100 million	10/	\$2,469,000	\$2,469,000	\$0
Subtotal Agriculture					\$285,762,000	\$285,762,000	\$0
Nonprofit							
120	12-36-2120(10)	1951	Meals or foodstuffs used in furnishing meals to school children within school buildings, and meals provided to the elderly, disabled, homeless, needy, or disabled adults		\$61,665,000	\$61,665,000	\$0
121	12-36-2120(39)	1986	Concession sales at a festival by an organization devoted exclusively to public or charitable purposes		\$318,000	\$318,000	\$0
122	12-36-2120(41)	1989	Items sold by 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		\$10,463,000	\$10,463,000	\$0
123	12-36-2120(47)	1994	Tangible personal property sold to charitable hospitals serving children where care is provided without charge	2/	N/A	N/A	N/A
124	12-36-2120(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		\$344,000	\$344,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Nonprofit							
125	12-36-2120(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		\$270,000	\$270,000	\$0
126	12-36-2120(81)	2015	Building materials purchased by a nonprofit tax exempt entity to build, rehabilitate, or repair a home for the benefit of an individual or family in need		\$1,106,000	\$1,106,000	\$0
127	12-36-2120(82)	2015	Children's clothing sold to a private charitable organization exempt from federal and state income tax, except for private schools, for the sole purpose of distribution by that organization to needy children		\$60,000	\$60,000	\$0
128	Proviso 117.36	1995	Tangible personal property purchased for use in private primary and secondary schools, including kindergartens and early childhood education programs	10/	\$160,000	\$160,000	\$0
Subtotal Nonprofit					\$74,386,000	\$74,386,000	\$0
Transportation							
129	12-36-2120(13)	1951	Fuel, lubricants, and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce (commonly referred to as vessel bunkering)		\$5,867,000	\$5,867,000	\$0
130	12-36-2120(20)	1951	Railroad cars, locomotives, and their parts, monorail cars, and the engines or motors that propel them, and their parts		\$293,000	\$293,000	\$0
131	12-36-2120(21)	1951	Vessels and barges of more than 50 tons burden		\$1,269,000	\$1,269,000	\$0
132	12-36-2120(40)	1988	Containers and chassis, including parts, components, and attachments, sold to international shipping lines in contract with the SC State Ports Authority and used for the import and export of goods to and from South Carolina		N/A	N/A	N/A
Subtotal Transportation					\$7,429,000	\$7,429,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2025-26		
					Total	Collectible	Non-Collectible
Other							
133	12-36-2120(36)	1983	Tangible personal property delivered to an out-of-state buyer by a South Carolina retailer	15/	N/A	N/A	N/A
134	12-36-2120(37)	1983	Petroleum asphalt products, used in paving, purchased in this state, which are transported and consumed out of state		\$2,008,000	\$0	\$2,008,000
Subtotal Other					\$2,008,000	\$0	\$2,008,000
Definitional							
135	12-36-2120(1)	1951	Tangible personal property or receipts of any business which the State is prohibited from taxing by the United States or South Carolina Constitutions	15/	N/A	N/A	N/A
136	12-36-2130(1)	2002	Gross proceeds of the sale of property on which the use tax has been paid by its seller or retailer	15/	N/A	N/A	N/A
Subtotal Definitional					\$0	\$0	\$0

Total Estimated State Sales and Use Tax Exemptions	\$4,437,772,321	\$3,815,965,321	\$621,809,000
General Fund 16/	\$3,086,943,000	\$2,672,406,000	\$414,539,000
Education Improvement Act Fund 16/	\$782,862,000	\$679,227,000	\$103,635,000
Homestead Exemption Act 17/	\$567,967,000	\$464,332,000	\$103,635,000
Total Estimated Local Revenue Impact 18/	\$909,453,000	\$741,565,000	\$167,888,000
(Local revenue impact is not included in state total)			

Estimates are based on state sales tax rate of 6 percent unless otherwise noted.

Disclaimer: These estimates are based on current economic activity and tax law provisions at the time of publication. Please be aware that these estimates may not represent the future fiscal impact estimate for the removal of the exemption. Estimating the removal of an exemption will involve more analysis such as updated economic conditions, interaction with other tax provisions, and behavioral impacts.

Consequently, RFA reserves the right to modify or change these calculations in performing its duty to provide fiscal estimates of proposed legislation under Section 2-7-71 of the Code of Laws of South Carolina.

FY 2026-27

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Retail & Business							
1	12-36-2110(A)	1984	Maximum tax on sale or lease of aircraft, motor vehicles, motorcycles, boats, trailers or semitrailers pulled by a truck tractor, horse trailers, recreational vehicles, and self-propelled light construction equipment	1/	\$481,079,000	\$481,079,000	\$0
2	12-36-2110(A)(1)(a)		Aircraft, including unassembled aircraft which is to be assembled by the purchaser	1/	\$7,403,000	\$7,403,000	\$0
3	12-36-2110(A)(1)(b)		Motor vehicles	1/	\$444,873,000	\$444,873,000	\$0
4	12-36-2110(A)(1)(c)		Motorcycles	1/	\$2,743,000	\$2,743,000	\$0
5	12-36-2110(A)(1)(d)		Boats	1/	\$9,969,000	\$9,969,000	\$0
6	12-36-2110(A)(1)(e)		Trailers or semitrailers, pulled by a truck tractor, and horse trailers	1/	\$169,000	\$169,000	\$0
7	12-36-2110(A)(1)(f)		Recreational vehicles, including tent campers, travel trailers, park model, park trailer, motor homes, and fifth wheel	1/	\$11,158,000	\$11,158,000	\$0
8	12-36-2110(A)(1)(g)		Self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower	1/	\$4,764,000	\$4,764,000	\$0
9	12-36-2110(B)	1984	Manufactured homes		\$16,174,000	\$16,174,000	\$0
10	12-36-2110(C)	1984	Musical instruments or office equipment purchased by religious organizations exempt under IRC Sec. 501(c)(3)	2/	N/A	N/A	N/A
11	12-36-2110(E)	1984	Equipment provided, supplied, or installed on a firefighting vehicle		\$1,435,000	\$1,435,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Retail & Business							
12	12-36-2120(3)	1951	Textbooks, books, magazines, periodicals, newspapers, and online access used in a course of study in all schools or for students' use in the school library		\$17,000,000	\$17,000,000	\$0
13	12-36-2120(8)	1951	Newsprint paper, newspapers, religious publications, including the Holy Bible, and the SC Department of Agriculture's "The Market Bulletin"		\$3,087,000	\$3,087,000	\$0
14			Newsprint paper		\$711,000	\$711,000	\$0
15			Newspaper sales		\$2,372,000	\$2,372,000	\$0
16			The Holy Bible	3/	N/A	N/A	N/A
17			The Market Bulletin		\$4,000	\$4,000	\$0
18	12-36-2120(11)(d)	1951	Automatic teller machine transactions		\$2,877,000	\$2,877,000	\$0
19	12-36-2120(14)	1951	Wrapping paper, wrapping twine, paper bags, and containers used in the sale and delivery of tangible personal property		\$53,041,000	\$53,041,000	\$0
20	12-36-2120(15)	1951	Motor Fuel, blended fuel, and alternative fuels, not including gasoline used in aircraft		\$789,796,841	\$789,796,841	\$0
21			Fuels subject to tax under Chapter 28 of Title 12		\$783,462,983	\$783,462,983	\$0
22			Fuels used in farm machinery and farm tractors		\$3,505,908	\$3,505,908	\$0
23			Fuels used in commercial fishing vessels		\$2,827,950	\$2,827,950	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Retail & Business							
24	12-36-2120(24)	1959	Supplies and machinery used by laundries, cleaning, dyeing, pressing, or garment rental establishments (excludes coin-operated laundromats)		\$1,414,000	\$1,414,000	\$0
25	12-36-2120(25)	1967	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		\$1,067,000	\$1,067,000	\$0
26	12-36-2120(26)	1967	Supplies, technical equipment, machinery, and electricity sold to radio and television stations, and cable television systems, for use in producing, broadcasting, or distributing programs		\$12,549,000	\$12,549,000	\$0
27	12-36-2120(31)	1979	Vacation time sharing plans and exchange of accommodations in which the accommodation to be exchanged is the primary consideration	4/	\$5,743,000	\$5,743,000	\$0
28	12-36-2120(33)	1979	Electricity or any combustible heating material or substance used for residential purposes		\$354,608,000	\$354,608,000	\$0
29			Electricity		\$308,954,000	\$308,954,000	\$0
30			Natural Gas		\$35,643,000	\$35,643,000	\$0
31			Fuel Oil		\$577,000	\$577,000	\$0
32			Kerosene		\$213,000	\$213,000	\$0
33			LP Gas		\$8,956,000	\$8,956,000	\$0
34			Coal		\$0	\$0	\$0
35			Other combustible material		\$265,000	\$265,000	\$0
36	12-36-2120(34)	1981	Fifty percent of gross proceeds of the sale of a modular home, both on-frame and off-frame		\$1,412,000	\$1,412,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Retail & Business							
37	12-36-2120(35)	1982	Motion picture film sold or rented to or by theaters	5/	\$0	\$0	\$0
38	12-36-2120(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		\$588,000	\$588,000	\$0
39	12-36-2120(43)	1991	All supplies, technical equipment, machinery, and electricity sold to motion picture companies for use in filming or producing motion pictures		\$408,000	\$408,000	\$0
40	12-36-2120(48)	1994	Solid waste disposal collection bags when the county or political subdivision requires the purchase of a specific bag for solid waste disposal	6/	\$0	\$0	\$0
41	12-36-2120(49)	1994	Postage paid by a person engaged in the business of selling advertising services for clients		\$1,276,000	\$1,276,000	\$0
42	12-36-2120(53)	1996	Motor vehicle extended service contracts and extended warranty contracts		\$39,978,000	\$39,978,000	\$0
43	12-36-2120(57)	2000	Sales tax holiday during the first weekend in August on clothing, footwear, and qualified school supplies		\$1,673,000	\$1,673,000	\$0
44	12-36-2120(60)	2001	Lottery ticket sales	7/	\$135,002,000	\$0	\$135,002,000
45	12-36-2120(62)	2003	Seventy percent of the gross rental sales or leases of portable toilets		\$1,213,000	\$1,213,000	\$0
46	12-36-2120(64)	2005	Sweet grass baskets made by South Carolina artists		\$384,000	\$384,000	\$0
47	12-36-2120(65)	2006	Computer equipment used in a technology intensive facility		N/A	N/A	N/A
48	12-36-2120(66)	2006	Electricity used by a technology intensive facility		N/A	N/A	N/A

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Retail & Business							
49	12-36-2120(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		\$32,168,000	\$32,168,000	\$0
50	12-36-2120(72)	2007	Building materials used to construct a new or renovated building or any machinery or equipment located in a research district		\$2,121,000	\$2,121,000	\$0
51	12-36-2120(73)	2007	Amusement park rides and any parts, machinery, and equipment used to assemble and operate a ride or performance venue facility		\$35,119,000	\$35,119,000	\$0
52	12-36-2120(75)	2007	Unprepared food that may be purchased with United States Department of Agriculture food coupons		\$575,719,000	\$575,719,000	\$0
53	12-36-2120(76)	2008	Sales tax holiday on handguns, rifles, and shotguns (beginning the Friday after Thanksgiving at 12:01 AM and ending at 12:00 midnight the following Saturday)	3/	N/A	N/A	N/A
54	12-36-2120(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	3/	N/A	N/A	N/A

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Retail & Business							
55	12-36-2120(79)	2012	Computers, computer equipment, computer software and electricity used within a datacenter where a taxpayer invests at least \$50/\$75 million over a five-year period and creates and maintains at least 25 full-time jobs with an average cash compensation of 150 percent of the per capita income level of the State or of the county where the facility is located	8/	N/A	N/A	N/A
56	12-36-2120(83)	2017	Any item subject to the fee set forth in Section 56-3-627	1/	N/A	N/A	N/A
57	12-36-2110(84)	2024	Feminine hygiene products		\$12,369,000	\$12,369,000	\$0
58	12-36-2130(2)	1988	Purchases made by museums and exhibition rentals purchased or leased for sources outside of the State		\$48,000	\$48,000	\$0
59	12-36-2610	1959	Discount for timely filed payment of tax, maximum discount of \$10,000 for out-of-state retailers, \$3,000 for all other retailers (\$3,100 for retailers filing by EFT)		\$53,151,000	\$53,151,000	\$0
60	12-36-2620(2)	1990	One percent sales tax exemption for those individuals 85 years and older		\$11,732,000	\$11,732,000	\$0
61	12-36-2140	2019	The State Ports Authority shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	9/	N/A	N/A	N/A
62	58-9-3100	2026	All supplies, technical equipment, machinery, and electricity sold to internet access service providers and communications service providers for use in producing, broadcasting, or distributing internet access service, communications service, or any combination thereof, the total amount of refund claims shall not exceed \$10 million for any year		\$7,920,000	\$7,920,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Retail & Business							
63	Proviso 88.5	2019	The Navy Base Intermodal Facility owned by Palmetto Railways, a division of the Department of Commerce, shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	10/	N/A	N/A	N/A
64	Proviso 117.163	2023	Sales by a person including, but not limited to, artists, craftsmen, or hobbyists, who makes sales not more than four times in the fiscal year at a fair, festival, carnival, or event that operates for a period of less than twelve consecutive days	10/	\$15,000	\$15,000	\$0
Subtotal Retail and Business					\$2,652,166,841	\$2,517,164,841	\$135,002,000
Medical							
65	12-36-2120(28)	1974	Medicine and prosthetic devices sold by prescription, radiopharmaceuticals used in treatment of cancer and other related diseases, free samples distributed by its manufacturer, and medicines used to prevent respiratory syncytial virus		\$714,810,000	\$416,496,000	\$298,314,000
66	12-36-2120(28)(a)		Medicine and prosthetic devices		\$690,466,000	\$404,202,000	\$286,264,000
67	12-36-2120(28)(b)		Diabetic supplies, including hypodermic needles, insulin, and blood sugar test strips		\$7,991,000	\$3,722,000	\$4,268,000
68	12-36-2120(28)(c)		Disposable medical supplies used in the treatment of a patient outside of a hospital, skilled nursing facility, or ambulatory surgical treatment center		\$1,244,000	\$812,000	\$433,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Medical							
69	12-36-2120(28)(d)		Medicine donated by its manufacturer to a public institution of higher education for research or for treatment of indigent patients		\$59,000	\$59,000	\$0
70	12-36-2120(28)(e)		Dental prosthetic devices		\$9,089,000	\$7,701,000	\$1,388,000
71	12-36-2120(28)(f)		Prescription drugs dispensed to Medicare Part A patients residing in a nursing home		\$5,961,000	\$0	\$5,961,000
72	12-36-2120(38)	1985	Hearing aids		\$10,976,000	\$10,976,000	\$0
73	12-36-2120(63)	2005	Prescription and over-the-counter medicines and medical supplies sold to charitable medical and dental clinics		\$305,000	\$305,000	\$0
74	12-36-2120(74)	2025	Durable medical equipment and related supplies as defined under federal and state Medicaid or Medicare laws, which is paid directly by funds of the state or the U.S. under the Medicaid or Medicare programs and sold by a provider who holds a South Carolina retail sales license.		\$41,506,000	\$7,935,000	\$33,571,000
75	12-36-2120(80)	2012	Injectable medications and injectable biologics administered by a physician in the physician's office or in a Center for Medicare or Medicaid Services (CMS) certified kidney dialysis facility		\$8,631,000	\$3,039,000	\$5,592,000
76	Proviso 117.54	2005	Respiratory syncytial virus medicines	11/	N/A	N/A	N/A
77	Proviso 117.58	2006	Viscosupplementation therapies sales	10/	\$583,000	\$474,000	\$110,000
78	Proviso 117.162	2023	For meeting the requirements of Section 12-36-2120(80) for insertable medicine used in the prevention, treatment, or cure of ophthalmologic diseases or conditions, the definition of a physician's office includes an independent surgery center and a hospital-based outpatient department	10/	\$160,000	\$83,000	\$77,000
Subtotal Medical					\$776,971,000	\$439,308,000	\$337,664,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Utilities							
79	12-36-2120(9)	1951	Coal, or coke, or other fuel sold to manufacturers, electric power companies, and transportation companies		\$158,078,000	\$158,078,000	\$0
80			Manufacturing (Industrial)		\$36,170,000	\$36,170,000	\$0
81			Electric utilities		\$88,094,000	\$88,094,000	\$0
82			Transportation companies		\$33,814,000	\$33,814,000	\$0
83	12-36-2120(11)	1951	Toll charges for the transmission of voice or messages between telephone exchanges and transactions		\$14,912,000	\$14,912,000	\$0
84	12-36-2120(11)(a)	1951	Toll charges for the transmission of voice messages between telephone exchanges (long distance)		\$12,952,000	\$12,952,000	\$0
85	12-36-2120(11)(b)	1951	Charges for telegraph messages	2/	N/A	N/A	N/A
86	12-36-2120(11)(c)	1951	Carrier and customer access charges established by the Federal Communications Commission or the SC Public Service Commission		\$1,960,000	\$1,960,000	\$0
87	12-36-2120(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		\$105,909,000	\$105,909,000	\$0
88	12-36-2120(59)	2001	Facilities for transmitting electricity that is transferred, sold, or exchanged to a limited liability company controlling electric transmission assets	12/	N/A	N/A	N/A
Subtotal Utilities					\$293,811,000	\$293,811,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Manufacturing							
89	12-36-2120(17)	1951	Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale		\$160,163,000	\$160,163,000	\$0
90	12-36-2120(19)	1951	Electricity used by cotton gins, manufacturers, miners, or quarriers to manufacture, mine, or quarry tangible personal property for sale		\$116,770,000	\$116,770,000	\$0
91	12-36-2120(50)	1995	Recycling property, including fuels and gasses of any type, fluids, and lubricants used by a qualified recycling facility		\$3,991,000	\$3,991,000	\$0
92	12-36-2120(51)	1996	Material handling systems and equipment used in a distribution or manufacturing facility		\$21,032,000	\$21,032,000	\$0
93	12-36-2120(52)	1996	Parts and supplies used by persons engaged in the business of repairing or reconditioning aircraft		\$2,468,000	\$2,468,000	\$0
94	12-36-2120(54)	1999	Clothing and attire for working in a Class 100 or better clean room environment	13/	N/A	N/A	N/A
95	12-36-2120(55)	2000	Audiovisual masters made or used by a production company in making visual and audio images for first generation reproduction		\$52,000	\$52,000	\$0
96	12-36-2120(56)	2000	Machines used in research and development		\$16,542,000	\$16,542,000	\$0
97	12-36-2120(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	13/	N/A	N/A	N/A
98	109.12	2021	Clothing required by Current Good Manufacturing Practices at perishable prepared food manufacturing facilities		\$27,000	\$27,000	\$0
Subtotal Manufacturing					\$321,045,000	\$321,045,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Government							
99	12-36-2120(2)	1984	Tangible personal property sold to the federal government		\$181,105,000	\$0	\$181,105,000
100	12-36-2120(22)	1990	Missile assembly materials used by the Armed Forces of the United States		\$10,000	\$0	\$10,000
101	12-36-2120(27)	1974	Plants and animals sold to any publicly supported zoological park or garden or any of its nonprofit support corporations	2/	N/A	N/A	N/A
102	12-36-2120(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	14/	N/A	N/A	N/A
103	12-36-2120(30)	1977	Supplies, commodities, and services resold by the Division of General Services of the Department of Administration to departments and state agencies, if the tax was paid on the division's original purchase	15/	N/A	N/A	N/A
104	12-36-2120(46)	1991	War memorials or monuments honoring units of the US Armed Forces or National Guard, including US military vessels, affixed to public property	2/	N/A	N/A	N/A
105	12-36-2120(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		\$1,000	\$1,000	\$0
106	12-36-2120(68)	2006	Any property sold to the public through a sheriffs sale as provided by law		\$34,000	\$34,000	\$0
107	12-36-2120(70)	2007	Gold, silver, or platinum bullion; legal tender coins and currency		\$1,409,000	\$1,409,000	\$0
Subtotal Government					\$182,559,000	\$1,444,000	\$181,115,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Agriculture							
108	12-36-2120(4)	1951	Sale of livestock used primarily as beasts of burden and livestock that provide, food, pelts, or fur		\$129,830,000	\$129,830,000	\$0
109	12-36-2120(5)	1951	Feed used for production and maintenance of poultry and livestock		\$59,096,000	\$59,096,000	\$0
110	12-36-2120(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		\$28,891,000	\$28,891,000	\$0
111	12-36-2120(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		\$1,404,000	\$1,404,000	\$0
112	12-36-2120(16)	1951	Farm machinery and parts used in planting, cultivating, or harvesting farm crops, the preservation of milk, and machines used in poultry production, when sold in the original state of production or preparation for sale		\$12,487,000	\$12,487,000	\$0
113	Proviso 109.19	2026	ATVs and UTVs are considered farm machinery if used in the planting, cultivating, or harvesting of farm crops for sale	10/	\$988,000	\$988,000	\$0
114	12-36-2120(18)	1951	Fuel used exclusively to cure agriculture products		\$2,683,000	\$2,683,000	\$0
115	12-36-2120(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		\$49,546,000	\$49,546,000	\$0
116	12-36-2120(32)	1979	Natural and liquefied petroleum gas and electricity used exclusively in the production of poultry, livestock, swine, and milk		\$3,160,000	\$3,160,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Agriculture							
117	12-36-2120(44)	1991	Electricity used to irrigate crops		\$553,000	\$553,000	\$0
118	12-36-2120(45)	1991	Building materials, supplies, fixtures, and equipment for the construction, repair or improvement of commercial housing of poultry or livestock		\$8,270,000	\$8,270,000	\$0
119	Proviso 117.135	2022	Local and state sales tax collection for material handling and construction materials on agribusiness facilities that invest at least \$100 million	10/	\$2,547,000	\$2,547,000	\$0
Subtotal Agriculture					\$299,455,000	\$299,455,000	\$0
Nonprofit							
120	12-36-2120(10)	1951	Meals or foodstuffs used in furnishing meals to school children within school buildings, and meals provided to the elderly, disabled, homeless, needy, or disabled adults		\$63,576,000	\$63,576,000	\$0
121	12-36-2120(39)	1986	Concession sales at a festival by an organization devoted exclusively to public or charitable purposes		\$328,000	\$328,000	\$0
122	12-36-2120(41)	1989	Items sold by 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		\$10,638,000	\$10,638,000	\$0
123	12-36-2120(47)	1994	Tangible personal property sold to charitable hospitals serving children where care is provided without charge	2/	N/A	N/A	N/A
124	12-36-2120(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		\$353,000	\$353,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Nonprofit							
125	12-36-2120(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		\$279,000	\$279,000	\$0
126	12-36-2120(81)	2015	Building materials purchased by a nonprofit tax exempt entity to build, rehabilitate, or repair a home for the benefit of an individual or family in need		\$1,162,000	\$1,162,000	\$0
127	12-36-2120(82)	2015	Children's clothing sold to a private charitable organization exempt from federal and state income tax, except for private schools, for the sole purpose of distribution by that organization to needy children		\$60,000	\$60,000	\$0
128	Proviso 117.36	1995	Tangible personal property purchased for use in private primary and secondary schools, including kindergartens and early childhood education programs	10/	\$165,000	\$165,000	\$0
Subtotal Nonprofit					\$76,561,000	\$76,561,000	\$0
Transportation							
129	12-36-2120(13)	1951	Fuel, lubricants, and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce (commonly referred to as vessel bunkering)		\$6,218,000	\$6,218,000	\$0
130	12-36-2120(20)	1951	Railroad cars, locomotives, and their parts, monorail cars, and the engines or motors that propel them, and their parts		\$322,000	\$322,000	\$0
131	12-36-2120(21)	1951	Vessels and barges of more than 50 tons burden		\$1,309,000	\$1,309,000	\$0
132	12-36-2120(40)	1988	Containers and chassis, including parts, components, and attachments, sold to international shipping lines in contract with the SC State Ports Authority and used for the import and export of goods to and from South Carolina		N/A	N/A	N/A
Subtotal Transportation					\$7,849,000	\$7,849,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2026-27		
					Total	Collectible	Non-Collectible
Other							
133	12-36-2120(36)	1983	Tangible personal property delivered to an out-of-state buyer by a South Carolina retailer	15/	N/A	N/A	N/A
134	12-36-2120(37)	1983	Petroleum asphalt products, used in paving, purchased in this state, which are transported and consumed out of state		\$2,190,000	\$0	\$2,190,000
Subtotal Other					\$2,190,000	\$0	\$2,190,000
Definitional							
135	12-36-2120(1)	1951	Tangible personal property or receipts of any business which the State is prohibited from taxing by the United States or South Carolina Constitutions	15/	N/A	N/A	N/A
136	12-36-2130(1)	2002	Gross proceeds of the sale of property on which the use tax has been paid by its seller or retailer	15/	N/A	N/A	N/A
Subtotal Definitional					\$0	\$0	\$0

Total Estimated State Sales and Use Tax Exemptions	\$4,612,607,841	\$3,956,637,841	\$655,971,000
General Fund 16/	\$3,209,195,000	\$2,771,883,000	\$437,313,000
Education Improvement Act Fund 16/	\$814,032,000	\$704,703,000	\$109,329,000
Homestead Exemption Act 17/	\$589,381,000	\$480,052,000	\$109,329,000
Total Estimated Local Revenue Impact 18/	\$944,167,000	\$767,055,000	\$177,112,000
(Local revenue impact is not included in state total)			

Estimates are based on state sales tax rate of 6 percent unless otherwise noted.

Disclaimer: These estimates are based on current economic activity and tax law provisions at the time of publication. Please be aware that these estimates may not represent the future fiscal impact estimate for the removal of the exemption. Estimating the removal of an exemption will involve more analysis such as updated economic conditions, interaction with other tax provisions, and behavioral impacts. Consequently, RFA reserves the right to modify or change these calculations in performing its duty to provide fiscal estimates of proposed legislation under Section 2-7-71 of the Code of Laws of South Carolina.

FY 2027-28

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Retail & Business							
1	12-36-2110(A)	1984	Maximum tax on sale or lease of aircraft, motor vehicles, motorcycles, boats, trailers or semitrailers pulled by a truck tractor, horse trailers, recreational vehicles, and self-propelled light construction equipment	1/	\$529,696,000	\$529,696,000	\$0
2	12-36-2110(A)(1)(a)		Aircraft, including unassembled aircraft which is to be assembled by the purchaser	1/	\$7,592,000	\$7,592,000	\$0
3	12-36-2110(A)(1)(b)		Motor vehicles	1/	\$492,192,000	\$492,192,000	\$0
4	12-36-2110(A)(1)(c)		Motorcycles	1/	\$2,995,000	\$2,995,000	\$0
5	12-36-2110(A)(1)(d)		Boats	1/	\$10,191,000	\$10,191,000	\$0
6	12-36-2110(A)(1)(e)		Trailers or semitrailers, pulled by a truck tractor, and horse trailers	1/	\$203,000	\$203,000	\$0
7	12-36-2110(A)(1)(f)		Recreational vehicles, including tent campers, travel trailers, park model, park trailer, motor homes, and fifth wheel	1/	\$11,527,000	\$11,527,000	\$0
8	12-36-2110(A)(1)(g)		Self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower	1/	\$4,996,000	\$4,996,000	\$0
9	12-36-2110(B)	1984	Manufactured homes		\$24,029,000	\$24,029,000	\$0
10	12-36-2110(C)	1984	Musical instruments or office equipment purchased by religious organizations exempt under IRC Sec. 501(c)(3)	2/	N/A	N/A	N/A
11	12-36-2110(E)	1984	Equipment provided, supplied, or installed on a firefighting vehicle		\$2,789,000	\$2,789,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Retail & Business							
12	12-36-2120(3)	1951	Textbooks, books, magazines, periodicals, newspapers, and online access used in a course of study in all schools or for students' use in the school library		\$17,211,000	\$17,211,000	\$0
13	12-36-2120(8)	1951	Newsprint paper, newspapers, religious publications, including the Holy Bible, and the SC Department of Agriculture's "The Market Bulletin"		\$2,938,000	\$2,938,000	\$0
14			Newsprint paper		\$675,000	\$675,000	\$0
15			Newspaper sales		\$2,260,000	\$2,260,000	\$0
16			The Holy Bible	3/	N/A	N/A	N/A
17			The Market Bulletin		\$3,000	\$3,000	\$0
18	12-36-2120(11)(d)	1951	Automatic teller machine transactions		\$2,851,000	\$2,851,000	\$0
19	12-36-2120(14)	1951	Wrapping paper, wrapping twine, paper bags, and containers used in the sale and delivery of tangible personal property		\$48,747,000	\$48,747,000	\$0
20	12-36-2120(15)	1951	Motor Fuel, blended fuel, and alternative fuels, not including gasoline used in aircraft		\$796,796,083	\$796,796,083	\$0
21			Fuels subject to tax under Chapter 28 of Title 12		\$790,127,992	\$790,127,992	\$0
22			Fuels used in farm machinery and farm tractors		\$3,896,662	\$3,896,662	\$0
23			Fuels used in commercial fishing vessels		\$2,771,430	\$2,771,430	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Retail & Business							
24	12-36-2120(24)	1959	Supplies and machinery used by laundries, cleaning, dyeing, pressing, or garment rental establishments (excludes coin-operated laundromats)		\$1,423,000	\$1,423,000	\$0
25	12-36-2120(25)	1967	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		\$1,091,000	\$1,091,000	\$0
26	12-36-2120(26)	1967	Supplies, technical equipment, machinery, and electricity sold to radio and television stations, and cable television systems, for use in producing, broadcasting, or distributing programs		\$12,800,000	\$12,800,000	\$0
27	12-36-2120(31)	1979	Vacation time sharing plans and exchange of accommodations in which the accommodation to be exchanged is the primary consideration	4/	\$6,011,000	\$6,011,000	\$0
28	12-36-2120(33)	1979	Electricity or any combustible heating material or substance used for residential purposes		\$366,383,000	\$366,383,000	\$0
29			Electricity		\$320,049,000	\$320,049,000	\$0
30			Natural Gas		\$36,261,000	\$36,261,000	\$0
31			Fuel Oil		\$550,000	\$550,000	\$0
32			Kerosene		\$190,000	\$190,000	\$0
33			LP Gas		\$9,078,000	\$9,078,000	\$0
34			Coal		\$0	\$0	\$0
35			Other combustible material		\$255,000	\$255,000	\$0
36	12-36-2120(34)	1981	Fifty percent of gross proceeds of the sale of a modular home, both on-frame and off-frame		\$1,699,000	\$1,699,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Retail & Business							
37	12-36-2120(35)	1982	Motion picture film sold or rented to or by theaters	5/	\$0	\$0	\$0
38	12-36-2120(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		\$601,000	\$601,000	\$0
39	12-36-2120(43)	1991	All supplies, technical equipment, machinery, and electricity sold to motion picture companies for use in filming or producing motion pictures		\$419,000	\$419,000	\$0
40	12-36-2120(48)	1994	Solid waste disposal collection bags when the county or political subdivision requires the purchase of a specific bag for solid waste disposal	6/	\$0	\$0	\$0
41	12-36-2120(49)	1994	Postage paid by a person engaged in the business of selling advertising services for clients		\$1,305,000	\$1,305,000	\$0
42	12-36-2120(53)	1996	Motor vehicle extended service contracts and extended warranty contracts		\$40,767,000	\$40,767,000	\$0
43	12-36-2120(57)	2000	Sales tax holiday during the first weekend in August on clothing, footwear, and qualified school supplies		\$1,732,000	\$1,732,000	\$0
44	12-36-2120(60)	2001	Lottery ticket sales	7/	\$135,002,000		\$135,002,000
45	12-36-2120(62)	2003	Seventy percent of the gross rental sales or leases of portable toilets		\$1,569,000	\$1,569,000	\$0
46	12-36-2120(64)	2005	Sweet grass baskets made by South Carolina artists		\$442,000	\$442,000	\$0
47	12-36-2120(65)	2006	Computer equipment used in a technology intensive facility		N/A	N/A	N/A
48	12-36-2120(66)	2006	Electricity used by a technology intensive facility		N/A	N/A	N/A

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Retail & Business							
49	12-36-2120(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		\$33,004,000	\$33,004,000	\$0
50	12-36-2120(72)	2007	Building materials used to construct a new or renovated building or any machinery or equipment located in a research district		\$2,109,000	\$2,109,000	\$0
51	12-36-2120(73)	2007	Amusement park rides and any parts, machinery, and equipment used to assemble and operate a ride or performance venue facility		\$36,181,420	\$36,181,420	\$0
52	12-36-2120(75)	2007	Unprepared food that may be purchased with United States Department of Agriculture food coupons		\$598,327,000	\$598,327,000	\$0
53	12-36-2120(76)	2008	Sales tax holiday on handguns, rifles, and shotguns (beginning the Friday after Thanksgiving at 12:01 AM and ending at 12:00 midnight the following Saturday)	3/	N/A	N/A	N/A
54	12-36-2120(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	3/	N/A	N/A	N/A

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Retail & Business							
55	12-36-2120(79)	2012	Computers, computer equipment, computer software and electricity used within a datacenter where a taxpayer invests at least \$50/\$75 million over a five-year period and creates and maintains at least 25 full-time jobs with an average cash compensation of 150 percent of the per capita income level of the State or of the county where the facility is located	8/	N/A	N/A	N/A
56	12-36-2120(83)	2017	Any item subject to the fee set forth in Section 56-3-627	1/	N/A	N/A	N/A
57	12-36-2110(84)	2024	Feminine hygiene products		\$12,675,000	\$12,675,000	\$0
58	12-36-2130(2)	1988	Purchases made by museums and exhibition rentals purchased or leased for sources outside of the State		\$49,000	\$49,000	\$0
59	12-36-2610	1959	Discount for timely filed payment of tax, maximum discount of \$10,000 for out-of-state retailers, \$3,000 for all other retailers (\$3,100 for retailers filing by EFT)		\$55,011,000	\$55,011,000	\$0
60	12-36-2620(2)	1990	One percent sales tax exemption for those individuals 85 years and older		\$12,369,000	\$12,369,000	\$0
61	12-36-2140	2019	The State Ports Authority shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	9/	N/A	N/A	N/A
62	58-9-3100	2026	All supplies, technical equipment, machinery, and electricity sold to internet access service providers and communications service providers for use in producing, broadcasting, or distributing internet access service, communications service, or any combination thereof, the total amount of refund claims shall not exceed \$10 million for any year		\$7,920,000	\$7,920,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Retail & Business							
63	Proviso 88.5	2019	The Navy Base Intermodal Facility owned by Palmetto Railways, a division of the Department of Commerce, shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	10/	N/A	N/A	N/A
64	Proviso 117.163	2023	Sales by a person including, but not limited to, artists, craftsmen, or hobbyists, who makes sales not more than four times in the fiscal year at a fair, festival, carnival, or event that operates for a period of less than twelve consecutive days	10/	\$10,000	\$10,000	\$0
Subtotal Retail and Business					\$2,753,956,503	\$2,618,954,503	\$135,002,000
Medical							
65	12-36-2120(28)	1974	Medicine and prosthetic devices sold by prescription, radiopharmaceuticals used in treatment of cancer and other related diseases, free samples distributed by its manufacturer, and medicines used to prevent respiratory syncytial virus		\$755,887,000	\$435,392,000	\$320,495,000
66	12-36-2120(28)(a)		Medicine and prosthetic devices		\$730,431,000	\$422,427,000	\$308,005,000
67	12-36-2120(28)(b)		Diabetic supplies, including hypodermic needles, insulin, and blood sugar test strips		\$8,411,000	\$3,918,000	\$4,493,000
68	12-36-2120(28)(c)		Disposable medical supplies used in the treatment of a patient outside of a hospital, skilled nursing facility, or ambulatory surgical treatment center		\$1,294,000	\$837,000	\$457,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Medical							
69	12-36-2120(28)(d)		Medicine donated by its manufacturer to a public institution of higher education for research or for treatment of indigent patients		\$61,000	\$61,000	\$0
70	12-36-2120(28)(e)		Dental prosthetic devices		\$9,662,000	\$8,149,000	\$1,512,000
71	12-36-2120(28)(f)		Prescription drugs dispensed to Medicare Part A patients residing in a nursing home		\$6,028,000	\$0	\$6,028,000
72	12-36-2120(38)	1985	Hearing aids		\$11,370,000	\$11,370,000	\$0
73	12-36-2120(63)	2005	Prescription and over-the-counter medicines and medical supplies sold to charitable medical and dental clinics		\$312,000	\$312,000	\$0
74	12-36-2120(74)	2025	Durable medical equipment and related supplies as defined under federal and state Medicaid or Medicare laws, which is paid directly by funds of the state or the U.S. under the Medicaid or Medicare programs and sold by a provider who holds a South Carolina retail sales license.		\$44,178,000	\$8,530,000	\$35,648,000
75	12-36-2120(80)	2012	Injectable medications and injectable biologics administered by a physician in the physician's office or in a Center for Medicare or Medicaid Services (CMS) certified kidney dialysis facility		\$8,854,000	\$3,117,000	\$5,737,000
76	Proviso 117.54	2005	Respiratory syncytial virus medicines	11/	N/A	N/A	N/A
77	Proviso 117.58	2006	Viscosupplementation therapies sales	10/	\$600,000	\$487,000	\$113,000
78	Proviso 117.162	2023	For meeting the requirements of Section 12-36-2120(80) for insertable medicine used in the prevention, treatment, or cure of ophthalmologic diseases or conditions, the definition of a physician's office includes an independent surgery center and a hospital-based outpatient department	10/	\$170,000	\$88,000	\$82,000
Subtotal Medical					\$821,371,000	\$459,296,000	\$362,075,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Utilities							
79	12-36-2120(9)	1951	Coal, or coke, or other fuel sold to manufacturers, electric power companies, and transportation companies		\$162,205,000	\$162,205,000	\$0
80			Manufacturing (Industrial)		\$35,983,000	\$35,983,000	\$0
81			Electric utilities		\$93,476,000	\$93,476,000	\$0
82			Transportation companies		\$32,746,000	\$32,746,000	\$0
83	12-36-2120(11)	1951	Toll charges for the transmission of voice or messages between telephone exchanges and transactions		\$13,678,000	\$13,678,000	\$0
84	12-36-2120(11)(a)	1951	Toll charges for the transmission of voice messages between telephone exchanges (long distance)		\$11,945,000	\$11,945,000	\$0
85	12-36-2120(11)(b)	1951	Charges for telegraph messages	2/	N/A	N/A	N/A
86	12-36-2120(11)(c)	1951	Carrier and customer access charges established by the Federal Communications Commission or the SC Public Service Commission		\$1,733,000	\$1,733,000	\$0
87	12-36-2120(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		\$111,734,000	\$111,734,000	\$0
88	12-36-2120(59)	2001	Facilities for transmitting electricity that is transferred, sold, or exchanged to a limited liability company controlling electric transmission assets	12/	N/A	N/A	N/A
Subtotal Utilities					\$301,295,000	\$301,295,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Manufacturing							
89	12-36-2120(17)	1951	Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale		\$163,668,000	\$163,668,000	\$0
90	12-36-2120(19)	1951	Electricity used by cotton gins, manufacturers, miners, or quarriers to manufacture, mine, or quarry tangible personal property for sale		\$121,719,000	\$121,719,000	\$0
91	12-36-2120(50)	1995	Recycling property, including fuels and gasses of any type, fluids, and lubricants used by a qualified recycling facility		\$4,638,000	\$4,638,000	\$0
92	12-36-2120(51)	1996	Material handling systems and equipment used in a distribution or manufacturing facility		\$21,492,000	\$21,492,000	\$0
93	12-36-2120(52)	1996	Parts and supplies used by persons engaged in the business of repairing or reconditioning aircraft		\$2,607,000	\$2,607,000	\$0
94	12-36-2120(54)	1999	Clothing and attire for working in a Class 100 or better clean room environment	13/	N/A	N/A	N/A
95	12-36-2120(55)	2000	Audiovisual masters made or used by a production company in making visual and audio images for first generation reproduction		\$52,000	\$52,000	\$0
96	12-36-2120(56)	2000	Machines used in research and development		\$18,189,000	\$18,189,000	\$0
97	12-36-2120(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	13/	N/A	N/A	N/A
98	109.12	2021	Clothing required by Current Good Manufacturing Practices at perishable prepared food manufacturing facilities		\$29,000	\$29,000	\$0
Subtotal Manufacturing					\$332,394,000	\$332,394,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Government							
99	12-36-2120(2)	1984	Tangible personal property sold to the federal government		\$187,705,000	\$0	\$187,705,000
100	12-36-2120(22)	1990	Missile assembly materials used by the Armed Forces of the United States		\$7,000	\$0	\$7,000
101	12-36-2120(27)	1974	Plants and animals sold to any publicly supported zoological park or garden or any of its nonprofit support corporations	2/	N/A	N/A	N/A
102	12-36-2120(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	14/	N/A	N/A	N/A
103	12-36-2120(30)	1977	Supplies, commodities, and services resold by the Division of General Services of the Department of Administration to departments and state agencies, if the tax was paid on the division's original purchase	15/	N/A	N/A	N/A
104	12-36-2120(46)	1991	War memorials or monuments honoring units of the US Armed Forces or National Guard, including US military vessels, affixed to public property	2/	N/A	N/A	N/A
105	12-36-2120(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		\$1,000	\$1,000	\$0
106	12-36-2120(68)	2006	Any property sold to the public through a sheriffs sale as provided by law		\$34,000	\$34,000	\$0
107	12-36-2120(70)	2007	Gold, silver, or platinum bullion; legal tender coins and currency		\$1,387,000	\$1,387,000	\$0
Subtotal Government					\$189,134,000	\$1,422,000	\$187,712,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Agriculture							
108	12-36-2120(4)	1951	Sale of livestock used primarily as beasts of burden and livestock that provide, food, pelts, or fur		\$137,775,000	\$137,775,000	\$0
109	12-36-2120(5)	1951	Feed used for production and maintenance of poultry and livestock		\$60,631,000	\$60,631,000	\$0
110	12-36-2120(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		\$29,834,000	\$29,834,000	\$0
111	12-36-2120(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		\$1,470,000	\$1,470,000	\$0
112	12-36-2120(16)	1951	Farm machinery and parts used in planting, cultivating, or harvesting farm crops, the preservation of milk, and machines used in poultry production, when sold in the original state of production or preparation for sale		\$12,934,000	\$12,934,000	\$0
113	Proviso 109.19	2026	ATVs and UTVs are considered farm machinery if used in the planting, cultivating, or harvesting of farm crops for sale	10/	\$1,018,000	\$1,018,000	\$0
114	12-36-2120(18)	1951	Fuel used exclusively to cure agriculture products		\$2,484,000	\$2,484,000	\$0
115	12-36-2120(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		\$50,926,000	\$50,926,000	\$0
116	12-36-2120(32)	1979	Natural and liquefied petroleum gas and electricity used exclusively in the production of poultry, livestock, swine, and milk		\$3,347,000	\$3,347,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Agriculture							
117	12-36-2120(44)	1991	Electricity used to irrigate crops		\$583,000	\$583,000	\$0
118	12-36-2120(45)	1991	Building materials, supplies, fixtures, and equipment for the construction, repair or improvement of commercial housing of poultry or livestock		\$8,690,000	\$8,690,000	\$0
119	Proviso 117.135	2022	Local and state sales tax collection for material handling and construction materials on agribusiness facilities that invest at least \$100 million	10/	\$2,627,000	\$2,627,000	\$0
Subtotal Agriculture					\$312,319,000	\$312,319,000	\$0
Nonprofit							
120	12-36-2120(10)	1951	Meals or foodstuffs used in furnishing meals to school children within school buildings, and meals provided to the elderly, disabled, homeless, needy, or disabled adults		\$65,483,000	\$65,483,000	\$0
121	12-36-2120(39)	1986	Concession sales at a festival by an organization devoted exclusively to public or charitable purposes		\$337,000	\$337,000	\$0
122	12-36-2120(41)	1989	Items sold by 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		\$10,973,000	\$10,973,000	\$0
123	12-36-2120(47)	1994	Tangible personal property sold to charitable hospitals serving children where care is provided without charge	2/	N/A	N/A	N/A
124	12-36-2120(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		\$361,000	\$361,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Nonprofit							
125	12-36-2120(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		\$286,000	\$286,000	\$0
126	12-36-2120(81)	2015	Building materials purchased by a nonprofit tax exempt entity to build, rehabilitate, or repair a home for the benefit of an individual or family in need		\$1,220,000	\$1,220,000	\$0
127	12-36-2120(82)	2015	Children's clothing sold to a private charitable organization exempt from federal and state income tax, except for private schools, for the sole purpose of distribution by that organization to needy children		\$60,000	\$60,000	\$0
128	Proviso 117.36	1995	Tangible personal property purchased for use in private primary and secondary schools, including kindergartens and early childhood education programs	10/	\$169,000	\$169,000	\$0
Subtotal Nonprofit					\$78,889,000	\$78,889,000	\$0
Transportation							
129	12-36-2120(13)	1951	Fuel, lubricants, and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce (commonly referred to as vessel bunkering)		\$6,474,000	\$6,474,000	\$0
130	12-36-2120(20)	1951	Railroad cars, locomotives, and their parts, monorail cars, and the engines or motors that propel them, and their parts		\$353,000	\$353,000	\$0
131	12-36-2120(21)	1951	Vessels and barges of more than 50 tons burden		\$1,343,000	\$1,343,000	\$0
132	12-36-2120(40)	1988	Containers and chassis, including parts, components, and attachments, sold to international shipping lines in contract with the SC State Ports Authority and used for the import and export of goods to and from South Carolina		N/A	N/A	N/A
Subtotal Transportation					\$8,170,000	\$8,170,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2027-28		
					Total	Collectible	Non-Collectible
Other							
133	12-36-2120(36)	1983	Tangible personal property delivered to an out-of-state buyer by a South Carolina retailer	15/	N/A	N/A	N/A
134	12-36-2120(37)	1983	Petroleum asphalt products, used in paving, purchased in this state, which are transported and consumed out of state		\$2,307,000	\$0	\$2,307,000
Subtotal Other					\$2,307,000	\$0	\$2,307,000
Definitional							
135	12-36-2120(1)	1951	Tangible personal property or receipts of any business which the State is prohibited from taxing by the United States or South Carolina Constitutions	15/	N/A	N/A	N/A
136	12-36-2130(1)	2002	Gross proceeds of the sale of property on which the use tax has been paid by its seller or retailer	15/	N/A	N/A	N/A
Subtotal Definitional					\$0	\$0	\$0

Total Estimated State Sales and Use Tax Exemptions	\$4,799,835,503	\$4,112,739,503	\$687,096,000
General Fund 16/	\$3,343,130,000	\$2,885,066,000	\$458,064,000
Education Improvement Act Fund 16/	\$848,152,000	\$733,636,000	\$114,516,000
Homestead Exemption Act 17/	\$608,554,000	\$494,038,000	\$114,516,000
Total Estimated Local Revenue Impact 18/	\$974,913,000	\$789,398,000	\$185,516,000
(Local revenue impact is not included in state total)			

Estimates are based on state sales tax rate of 6 percent unless otherwise noted.

Disclaimer: These estimates are based on current economic activity and tax law provisions at the time of publication. Please be aware that these estimates may not represent the future fiscal impact estimate for the removal of the exemption. Estimating the removal of an exemption will involve more analysis such as updated economic conditions, interaction with other tax provisions, and behavioral impacts.

Consequently, RFA reserves the right to modify or change these calculations in performing its duty to provide fiscal estimates of proposed legislation under Section 2-7-71 of the Code of Laws of South Carolina.

FY 2028-29

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Retail & Business							
1	12-36-2110(A)	1984	Maximum tax on sale or lease of aircraft, motor vehicles, motorcycles, boats, trailers or semitrailers pulled by a truck tractor, horse trailers, recreational vehicles, and self-propelled light construction equipment	1/	\$553,173,000	\$553,173,000	\$0
2	12-36-2110(A)(1)(a)		Aircraft, including unassembled aircraft which is to be assembled by the purchaser	1/	\$7,786,000	\$7,786,000	\$0
3	12-36-2110(A)(1)(b)		Motor vehicles	1/	\$514,347,000	\$514,347,000	\$0
4	12-36-2110(A)(1)(c)		Motorcycles	1/	\$3,263,000	\$3,263,000	\$0
5	12-36-2110(A)(1)(d)		Boats	1/	\$10,409,000	\$10,409,000	\$0
6	12-36-2110(A)(1)(e)		Trailers or semitrailers, pulled by a truck tractor, and horse trailers	1/	\$239,000	\$239,000	\$0
7	12-36-2110(A)(1)(f)		Recreational vehicles, including tent campers, travel trailers, park model, park trailer, motor homes, and fifth wheel	1/	\$11,893,000	\$11,893,000	\$0
8	12-36-2110(A)(1)(g)		Self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower	1/	\$5,236,000	\$5,236,000	\$0
9	12-36-2110(B)	1984	Manufactured homes		\$26,777,000	\$26,777,000	\$0
10	12-36-2110(C)	1984	Musical instruments or office equipment purchased by religious organizations exempt under IRC Sec. 501(c)(3)	2/	N/A	N/A	N/A
11	12-36-2110(E)	1984	Equipment provided, supplied, or installed on a firefighting vehicle		\$2,813,000	\$2,813,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Retail & Business							
12	12-36-2120(3)	1951	Textbooks, books, magazines, periodicals, newspapers, and online access used in a course of study in all schools or for students' use in the school library		\$17,424,000	\$17,424,000	\$0
13	12-36-2120(8)	1951	Newsprint paper, newspapers, religious publications, including the Holy Bible, and the SC Department of Agriculture's "The Market Bulletin"		\$2,796,000	\$2,796,000	\$0
14			Newsprint paper		\$640,000	\$640,000	\$0
15			Newspaper sales		\$2,153,000	\$2,153,000	\$0
16			The Holy Bible	3/	N/A	N/A	N/A
17			The Market Bulletin		\$3,000	\$3,000	\$0
18	12-36-2120(11)(d)	1951	Automatic teller machine transactions		\$2,825,000	\$2,825,000	\$0
19	12-36-2120(14)	1951	Wrapping paper, wrapping twine, paper bags, and containers used in the sale and delivery of tangible personal property		\$51,177,000	\$51,177,000	\$0
20	12-36-2120(15)	1951	Motor Fuel, blended fuel, and alternative fuels, not including gasoline used in aircraft		\$802,713,576	\$802,713,576	\$0
21			Fuels subject to tax under Chapter 28 of Title 12		\$796,042,057	\$796,042,057	\$0
22			Fuels used in farm machinery and farm tractors		\$3,985,089	\$3,985,089	\$0
23			Fuels used in commercial fishing vessels		\$2,686,431	\$2,686,431	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Retail & Business							
24	12-36-2120(24)	1959	Supplies and machinery used by laundries, cleaning, dyeing, pressing, or garment rental establishments (excludes coin-operated laundromats)		\$1,431,000	\$1,431,000	\$0
25	12-36-2120(25)	1967	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		\$1,116,000	\$1,116,000	\$0
26	12-36-2120(26)	1967	Supplies, technical equipment, machinery, and electricity sold to radio and television stations, and cable television systems, for use in producing, broadcasting, or distributing programs		\$13,056,000	\$13,056,000	\$0
27	12-36-2120(31)	1979	Vacation time sharing plans and exchange of accommodations in which the accommodation to be exchanged is the primary consideration	4/	\$6,291,000	\$6,291,000	\$0
28	12-36-2120(33)	1979	Electricity or any combustible heating material or substance used for residential purposes		\$378,572,000	\$378,572,000	\$0
29			Electricity		\$331,542,000	\$331,542,000	\$0
30			Natural Gas		\$36,889,000	\$36,889,000	\$0
31			Fuel Oil		\$524,000	\$524,000	\$0
32			Kerosene		\$169,000	\$169,000	\$0
33			LP Gas		\$9,203,000	\$9,203,000	\$0
34			Coal		\$0	\$0	\$0
35			Other combustible material		\$245,000	\$245,000	\$0
36	12-36-2120(34)	1981	Fifty percent of gross proceeds of the sale of a modular home, both on-frame and off-frame		\$1,784,000	\$1,784,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Retail & Business							
37	12-36-2120(35)	1982	Motion picture film sold or rented to or by theaters	5/	\$0	\$0	\$0
38	12-36-2120(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		\$615,000	\$615,000	\$0
39	12-36-2120(43)	1991	All supplies, technical equipment, machinery, and electricity sold to motion picture companies for use in filming or producing motion pictures		\$429,000	\$429,000	\$0
40	12-36-2120(48)	1994	Solid waste disposal collection bags when the county or political subdivision requires the purchase of a specific bag for solid waste disposal	6/	\$0	\$0	\$0
41	12-36-2120(49)	1994	Postage paid by a person engaged in the business of selling advertising services for clients		\$1,334,000	\$1,334,000	\$0
42	12-36-2120(53)	1996	Motor vehicle extended service contracts and extended warranty contracts		\$41,393,000	\$41,393,000	\$0
43	12-36-2120(57)	2000	Sales tax holiday during the first weekend in August on clothing, footwear, and qualified school supplies		\$1,801,000	\$1,801,000	\$0
44	12-36-2120(60)	2001	Lottery ticket sales	7/	\$135,002,000		\$135,002,000
45	12-36-2120(62)	2003	Seventy percent of the gross rental sales or leases of portable toilets		\$1,664,000	\$1,664,000	\$0
46	12-36-2120(64)	2005	Sweet grass baskets made by South Carolina artists		\$453,000	\$453,000	\$0
47	12-36-2120(65)	2006	Computer equipment used in a technology intensive facility		N/A	N/A	N/A
48	12-36-2120(66)	2006	Electricity used by a technology intensive facility		N/A	N/A	N/A

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Retail & Business							
49	12-36-2120(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		\$33,829,000	\$33,829,000	\$0
50	12-36-2120(72)	2007	Building materials used to construct a new or renovated building or any machinery or equipment located in a research district		\$2,107,000	\$2,107,000	\$0
51	12-36-2120(73)	2007	Amusement park rides and any parts, machinery, and equipment used to assemble and operate a ride or performance venue facility		\$37,276,833	\$37,276,833	\$0
52	12-36-2120(75)	2007	Unprepared food that may be purchased with United States Department of Agriculture food coupons		\$621,149,000	\$621,149,000	\$0
53	12-36-2120(76)	2008	Sales tax holiday on handguns, rifles, and shotguns (beginning the Friday after Thanksgiving at 12:01 AM and ending at 12:00 midnight the following Saturday)	3/	N/A	N/A	N/A
54	12-36-2120(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	3/	N/A	N/A	N/A

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Retail & Business							
55	12-36-2120(79)	2012	Computers, computer equipment, computer software and electricity used within a datacenter where a taxpayer invests at least \$50/\$75 million over a five-year period and creates and maintains at least 25 full-time jobs with an average cash compensation of 150 percent of the per capita income level of the State or of the county where the facility is located	8/	N/A	N/A	N/A
56	12-36-2120(83)	2017	Any item subject to the fee set forth in Section 56-3-627	1/	N/A	N/A	N/A
57	12-36-2110(84)	2024	Feminine hygiene products		\$12,998,000	\$12,998,000	\$0
58	12-36-2130(2)	1988	Purchases made by museums and exhibition rentals purchased or leased for sources outside of the State		\$50,000	\$50,000	\$0
59	12-36-2610	1959	Discount for timely filed payment of tax, maximum discount of \$10,000 for out-of-state retailers, \$3,000 for all other retailers (\$3,100 for retailers filing by EFT)		\$57,211,000	\$57,211,000	\$0
60	12-36-2620(2)	1990	One percent sales tax exemption for those individuals 85 years and older		\$13,226,000	\$13,226,000	\$0
61	12-36-2140	2019	The State Ports Authority shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	9/	N/A	N/A	N/A
62	58-9-3100	2026	All supplies, technical equipment, machinery, and electricity sold to internet access service providers and communications service providers for use in producing, broadcasting, or distributing internet access service, communications service, or any combination thereof, the total amount of refund claims shall not exceed \$10 million for any year		\$7,920,000	\$7,920,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Retail & Business							
63	Proviso 88.5	2019	The Navy Base Intermodal Facility owned by Palmetto Railways, a division of the Department of Commerce, shall be considered a distribution facility for the purpose of sales tax exemptions associated with the purchase of equipment and construction materials	10/	N/A	N/A	N/A
64	Proviso 117.163	2023	Sales by a person including, but not limited to, artists, craftsmen, or hobbyists, who makes sales not more than four times in the fiscal year at a fair, festival, carnival, or event that operates for a period of less than twelve consecutive days	10/	\$11,000	\$11,000	\$0
Subtotal Retail and Business					\$2,830,417,409	\$2,695,415,409	\$135,002,000
Medical							
65	12-36-2120(28)	1974	Medicine and prosthetic devices sold by prescription, radiopharmaceuticals used in treatment of cancer and other related diseases, free samples distributed by its manufacturer, and medicines used to prevent respiratory syncytial virus		\$800,258,000	\$453,527,000	\$346,732,000
66	12-36-2120(28)(a)		Medicine and prosthetic devices		\$773,623,000	\$439,869,000	\$333,754,000
67	12-36-2120(28)(b)		Diabetic supplies, including hypodermic needles, insulin, and blood sugar test strips		\$8,853,000	\$4,124,000	\$4,729,000
68	12-36-2120(28)(c)		Disposable medical supplies used in the treatment of a patient outside of a hospital, skilled nursing facility, or ambulatory surgical treatment center		\$1,353,000	\$873,000	\$481,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Medical							
69	12-36-2120(28)(d)		Medicine donated by its manufacturer to a public institution of higher education for research or for treatment of indigent patients		\$63,000	\$63,000	\$0
70	12-36-2120(28)(e)		Dental prosthetic devices		\$10,270,000	\$8,598,000	\$1,672,000
71	12-36-2120(28)(f)		Prescription drugs dispensed to Medicare Part A patients residing in a nursing home		\$6,096,000	\$0	\$6,096,000
72	12-36-2120(38)	1985	Hearing aids		\$11,777,000	\$11,777,000	\$0
73	12-36-2120(63)	2005	Prescription and over-the-counter medicines and medical supplies sold to charitable medical and dental clinics		\$321,000	\$321,000	\$0
74	12-36-2120(74)	2025	Durable medical equipment and related supplies as defined under federal and state Medicaid or Medicare laws, which is paid directly by funds of the state or the U.S. under the Medicaid or Medicare programs and sold by a provider who holds a South Carolina retail sales license.		\$46,721,000	\$9,071,000	\$37,651,000
75	12-36-2120(80)	2012	Injectable medications and injectable biologics administered by a physician in the physician's office or in a Center for Medicare or Medicaid Services (CMS) certified kidney dialysis facility		\$9,083,000	\$3,198,000	\$5,885,000
76	Proviso 117.54	2005	Respiratory syncytial virus medicines	11/	N/A	N/A	N/A
77	Proviso 117.58	2006	Viscosupplementation therapies sales	10/	\$617,000	\$501,000	\$116,000
78	Proviso 117.162	2023	For meeting the requirements of Section 12-36-2120(80) for insertable medicine used in the prevention, treatment, or cure of ophthalmologic diseases or conditions, the definition of a physician's office includes an independent surgery center and a hospital-based outpatient department	10/	\$181,000	\$94,000	\$88,000
Subtotal Medical					\$868,958,000	\$478,489,000	\$390,472,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Utilities							
79	12-36-2120(9)	1951	Coal, or coke, or other fuel sold to manufacturers, electric power companies, and transportation companies		\$168,362,000	\$168,362,000	\$0
80			Manufacturing (Industrial)		\$35,781,000	\$35,781,000	\$0
81			Electric utilities		\$99,513,000	\$99,513,000	\$0
82			Transportation companies		\$33,068,000	\$33,068,000	\$0
83	12-36-2120(11)	1951	Toll charges for the transmission of voice or messages between telephone exchanges and transactions		\$12,548,000	\$12,548,000	\$0
84	12-36-2120(11)(a)	1951	Toll charges for the transmission of voice messages between telephone exchanges (long distance)		\$11,016,000	\$11,016,000	\$0
85	12-36-2120(11)(b)	1951	Charges for telegraph messages	2/	N/A	N/A	N/A
86	12-36-2120(11)(c)	1951	Carrier and customer access charges established by the Federal Communications Commission or the SC Public Service Commission		\$1,532,000	\$1,532,000	\$0
87	12-36-2120(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		\$117,879,000	\$117,879,000	\$0
88	12-36-2120(59)	2001	Facilities for transmitting electricity that is transferred, sold, or exchanged to a limited liability company controlling electric transmission assets	12/	N/A	N/A	N/A
Subtotal Utilities					\$311,337,000	\$311,337,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

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Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Manufacturing							
89	12-36-2120(17)	1951	Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale		\$167,248,000	\$167,248,000	\$0
90	12-36-2120(19)	1951	Electricity used by cotton gins, manufacturers, miners, or quarriers to manufacture, mine, or quarry tangible personal property for sale		\$126,877,000	\$126,877,000	\$0
91	12-36-2120(50)	1995	Recycling property, including fuels and gasses of any type, fluids, and lubricants used by a qualified recycling facility		\$4,872,000	\$4,872,000	\$0
92	12-36-2120(51)	1996	Material handling systems and equipment used in a distribution or manufacturing facility		\$21,962,000	\$21,962,000	\$0
93	12-36-2120(52)	1996	Parts and supplies used by persons engaged in the business of repairing or reconditioning aircraft		\$2,754,000	\$2,754,000	\$0
94	12-36-2120(54)	1999	Clothing and attire for working in a Class 100 or better clean room environment	13/	N/A	N/A	N/A
95	12-36-2120(55)	2000	Audiovisual masters made or used by a production company in making visual and audio images for first generation reproduction		\$52,000	\$52,000	\$0
96	12-36-2120(56)	2000	Machines used in research and development		\$20,001,000	\$20,001,000	\$0
97	12-36-2120(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	13/	N/A	N/A	N/A
98	109.12	2021	Clothing required by Current Good Manufacturing Practices at perishable prepared food manufacturing facilities		\$29,000	\$29,000	\$0
Subtotal Manufacturing					\$343,795,000	\$343,795,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Government							
99	12-36-2120(2)	1984	Tangible personal property sold to the federal government		\$194,454,000	\$0	\$194,454,000
100	12-36-2120(22)	1990	Missile assembly materials used by the Armed Forces of the United States		\$7,000	\$0	\$7,000
101	12-36-2120(27)	1974	Plants and animals sold to any publicly supported zoological park or garden or any of its nonprofit support corporations	2/	N/A	N/A	N/A
102	12-36-2120(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	14/	N/A	N/A	N/A
103	12-36-2120(30)	1977	Supplies, commodities, and services resold by the Division of General Services of the Department of Administration to departments and state agencies, if the tax was paid on the division's original purchase	15/	N/A	N/A	N/A
104	12-36-2120(46)	1991	War memorials or monuments honoring units of the US Armed Forces or National Guard, including US military vessels, affixed to public property	2/	N/A	N/A	N/A
105	12-36-2120(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		\$1,000	\$1,000	\$0
106	12-36-2120(68)	2006	Any property sold to the public through a sheriffs sale as provided by law		\$34,000	\$34,000	\$0
107	12-36-2120(70)	2007	Gold, silver, or platinum bullion; legal tender coins and currency		\$1,365,000	\$1,365,000	\$0
Subtotal Government					\$195,861,000	\$1,400,000	\$194,461,000

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Agriculture							
108	12-36-2120(4)	1951	Sale of livestock used primarily as beasts of burden and livestock that provide, food, pelts, or fur		\$146,206,000	\$146,206,000	\$0
109	12-36-2120(5)	1951	Feed used for production and maintenance of poultry and livestock		\$62,147,000	\$62,147,000	\$0
110	12-36-2120(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		\$30,810,000	\$30,810,000	\$0
111	12-36-2120(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		\$1,539,000	\$1,539,000	\$0
112	12-36-2120(16)	1951	Farm machinery and parts used in planting, cultivating, or harvesting farm crops, the preservation of milk, and machines used in poultry production, when sold in the original state of production or preparation for sale		\$13,397,000	\$13,397,000	\$0
113	Proviso 109.19	2026	ATVs and UTVs are considered farm machinery if used in the planting, cultivating, or harvesting of farm crops for sale	10/	\$1,052,000	\$1,052,000	\$0
114	12-36-2120(18)	1951	Fuel used exclusively to cure agriculture products		\$2,595,000	\$2,595,000	\$0
115	12-36-2120(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		\$52,383,000	\$52,383,000	\$0
116	12-36-2120(32)	1979	Natural and liquefied petroleum gas and electricity used exclusively in the production of poultry, livestock, swine, and milk		\$3,667,000	\$3,667,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Agriculture							
117	12-36-2120(44)	1991	Electricity used to irrigate crops		\$616,000	\$616,000	\$0
118	12-36-2120(45)	1991	Building materials, supplies, fixtures, and equipment for the construction, repair or improvement of commercial housing of poultry or livestock		\$9,131,000	\$9,131,000	\$0
119	Proviso 117.135	2022	Local and state sales tax collection for material handling and construction materials on agribusiness facilities that invest at least \$100 million	10/	\$2,710,000	\$2,710,000	\$0
Subtotal Agriculture					\$326,253,000	\$326,253,000	\$0
Nonprofit							
120	12-36-2120(10)	1951	Meals or foodstuffs used in furnishing meals to school children within school buildings, and meals provided to the elderly, disabled, homeless, needy, or disabled adults		\$67,448,000	\$67,448,000	\$0
121	12-36-2120(39)	1986	Concession sales at a festival by an organization devoted exclusively to public or charitable purposes		\$345,000	\$345,000	\$0
122	12-36-2120(41)	1989	Items sold by 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		\$11,258,000	\$11,258,000	\$0
123	12-36-2120(47)	1994	Tangible personal property sold to charitable hospitals serving children where care is provided without charge	2/	N/A	N/A	N/A
124	12-36-2120(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		\$370,000	\$370,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Nonprofit							
125	12-36-2120(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		\$293,000	\$293,000	\$0
126	12-36-2120(81)	2015	Building materials purchased by a nonprofit tax exempt entity to build, rehabilitate, or repair a home for the benefit of an individual or family in need		\$1,281,000	\$1,281,000	\$0
127	12-36-2120(82)	2015	Children's clothing sold to a private charitable organization exempt from federal and state income tax, except for private schools, for the sole purpose of distribution by that organization to needy children		\$60,000	\$60,000	\$0
128	Proviso 117.36	1995	Tangible personal property purchased for use in private primary and secondary schools, including kindergartens and early childhood education programs	10/	\$173,000	\$173,000	\$0
Subtotal Nonprofit					\$81,228,000	\$81,228,000	\$0
Transportation							
129	12-36-2120(13)	1951	Fuel, lubricants, and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce (commonly referred to as vessel bunkering)		\$6,738,000	\$6,738,000	\$0
130	12-36-2120(20)	1951	Railroad cars, locomotives, and their parts, monorail cars, and the engines or motors that propel them, and their parts		\$387,000	\$387,000	\$0
131	12-36-2120(21)	1951	Vessels and barges of more than 50 tons burden		\$1,377,000	\$1,377,000	\$0
132	12-36-2120(40)	1988	Containers and chassis, including parts, components, and attachments, sold to international shipping lines in contract with the SC State Ports Authority and used for the import and export of goods to and from South Carolina		N/A	N/A	N/A
Subtotal Transportation					\$8,502,000	\$8,502,000	\$0

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Figures are not comparable to previous reports due to updates and changes to data and methodology. See notes for additional details.

Line	Code Section	Year Enacted	Description of Exemption	Notes	FY 2028-29		
					Total	Collectible	Non-Collectible
Other							
133	12-36-2120(36)	1983	Tangible personal property delivered to an out-of-state buyer by a South Carolina retailer	15/	N/A	N/A	N/A
134	12-36-2120(37)	1983	Petroleum asphalt products, used in paving, purchased in this state, which are transported and consumed out of state		\$2,429,000	\$0	\$2,429,000
Subtotal Other					\$2,429,000	\$0	\$2,429,000
Definitional							
135	12-36-2120(1)	1951	Tangible personal property or receipts of any business which the State is prohibited from taxing by the United States or South Carolina Constitutions	15/	N/A	N/A	N/A
136	12-36-2130(1)	2002	Gross proceeds of the sale of property on which the use tax has been paid by its seller or retailer	15/	N/A	N/A	N/A
Subtotal Definitional					\$0	\$0	\$0

Total Estimated State Sales and Use Tax Exemptions	\$4,968,780,409	\$4,246,419,409	\$722,364,000
General Fund 16/	\$3,461,406,000	\$2,979,833,000	\$481,576,000
Education Improvement Act Fund 16/	\$878,578,000	\$758,184,000	\$120,394,000
Homestead Exemption Act 17/	\$628,796,000	\$508,402,000	\$120,394,000
Total Estimated Local Revenue Impact 18/	\$1,007,358,000	\$812,321,000	\$195,038,000
(Local revenue impact is not included in state total)			

Estimates are based on state sales tax rate of 6 percent unless otherwise noted.

Disclaimer: These estimates are based on current economic activity and tax law provisions at the time of publication. Please be aware that these estimates may not represent the future fiscal impact estimate for the removal of the exemption. Estimating the removal of an exemption will involve more analysis such as updated economic conditions, interaction with other tax provisions, and behavioral impacts.

Consequently, RFA reserves the right to modify or change these calculations in performing its duty to provide fiscal estimates of proposed legislation under Section 2-7-71 of the Code of Laws of South Carolina.

Sales and Use Tax Exemption Estimates, FY 2025-26 - FY 2028-29

Notes:

N/A Estimate not available due to data or other issues. (See applicable notes below.)

- 1/ Act 40 of 2017 replaced the maximum sales and use tax on the sale or lease of specific items with an infrastructure maintenance fee (IMF). The maximum IMF affects those items required to be registered by the Department of Motor Vehicles (DMV), pursuant to Section 56-3-627. The estimates provided under Section 12-36-2110 combine the total amount subject to the sales tax and the IMF. This analysis does not account for the current distribution of funds.
- 2/ Source data is unavailable, but estimate anticipated to be less than \$100,000.
- 3/ This exemption has been ruled unconstitutional. The exemption for religious publications was declared unconstitutional by the S.C. Supreme Court in *Thayer v. South Carolina Tax Commission*, 413 S.E.2d 810 (1992) and Act 338 of 2008, which established an annual sales tax holiday for handguns and for certain energy efficient products, was declared unconstitutional by the S.C. Supreme Court in *The American Petroleum Institution & BP Products North America, Inc. v. South Carolina Department of Revenue, et al.* S.C. 677 S.E.2d 16 (2009).
- 4/ Vacation time sharing plans are exempt from accommodations sales tax. The sales tax rate on accommodations is 7 percent, of which 4 percent is credited to the General Fund, 1 percent to the Education Improvement Act fund and 2 percent to the municipality or county in which it is collected. For the purposes of this report, the 2 percent allocated to municipalities or counties is not included in the estimated exemption amount for vacation time sharing plans.
- 5/ The Motion Picture Association of America (MPA) lends films to all movie theaters at no charge and collects 60 percent of the proceeds of ticket sales from each theater. As such, this exemption is \$0 due to current business practices.
- 6/ Based on information provided by the Department of Environmental Services, no counties or political subdivisions currently require the purchase of specifically designated containment bags for solid waste disposal.
- 7/ Lottery tickets do not meet the definition of tangible personal property, as defined in Section 12-36-60, and thus sales tax is not collectible under Title 12.
- 8/ While some data centers qualified for this exemption, the FY 2025-26 estimate of \$0 reflects actual exempt sales reported by the Department of Revenue (DOR). Due to limitations in the available data, we are unable to project the amount of sales tax revenue that may be forgone as a result of this exemption in subsequent fiscal years. From FY 2021-22 to FY 2024-25 DOR reported exemption amounts of \$0.46, \$1.0, \$1.39, and \$0.83 million, respectively.
- 9/ This exemption amount is included in the exemption for Section 12-36-2120(51), line 92.
- 10/ Provisos are enumerated in accordance with the FY 2025-26 General Appropriations Bill as ratified by the General Assembly unless first introduced in the FY 2026-27 General Appropriations Bill.
- 11/ As this exemption deals primarily with the date of enactment, any items pertaining to it have already been included in exemption 12-2120-28(a).
- 12/ While there have been instances when electric transmission facilities have been sold to LLCs in South Carolina, the events do not occur with regularity, and an estimate is unavailable.
- 13/ We believe this exemption is being utilized; however, due to limitations in the available data, we are unable to quantify the amount of sales tax revenue forgone attributable to the exemption.
- 14/ This exemption amount is included in the exemption estimate for Section 12-36-2120(2), line 99.
- 15/ This exemption is classified as definitional, meaning it provides clarification and guidance to sales and use exemptions and may not constitute an "exemption."
- 16/ This analysis assumes that if the maximum sales and use tax was repealed, the change would apply to items subject to the Infrastructure Maintenance Fee as well. For simplicity, this analysis does not account for the current distribution of funds and assumes that of the full amount collected from the base, 4 percent sales tax would be credited to the General Fund and 1 percent to the Education Improvement Act fund.
- 17/ Purchases by individuals aged 85 and older under 12-36-2620, those items subject to or that would be subject to the maximum sales and use cap under Section 12-36-2110, and unprepared food items as enumerated in Section 12-36-1110 are specifically exempt from the sales tax credited to the Homestead Exemption fund.
- 18/ Local sales tax estimate is based on an average rate of 1.62 percent. While certain local taxes exempt unprepared food sales, figures do not reflect this exemption.