

Sales and Use Tax Exemptions, Exclusions, Caps, and Limitations in FY2019-20 1/

Line	Code Section	Year Enacted	Description of Exemption	FY2020 Exemption Estimate (Dollars)	FY2020 Subtotal (Dollars)	Notes
1	12-36-2110		Maximum Sales and Use Tax Caps			
2	(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	\$284,811,000		2/
3	(A)(1)		Aircraft, including unassembled aircraft which is to be assembled by the purchaser		\$3,510,000	2/
4	(A)(2)		Motor vehicles		\$245,798,000	2/
5	(A)(3)		Motorcycles		\$813,000	2/
6	(A)(4)		Boats		\$2,576,000	2/
7	(A)(5)		Trailer or semitrailers, pulled by a truck tractor, and horse trailers		\$0	2/
8	(A)(6)		Recreational vehicles, including tent campers, travel trailers, park model, park trailer, motor homes, and fifth wheel		\$13,224,000	2/
9	(A)(7)		Self-propelled light construction equipment with compatible attachments limited to a maximum of 160 net engine horsepower		\$8,098,000	2/
10	(B)		Manufactured homes		\$10,165,000	
11	(C)		Musical instruments or office equipment purchased by religious organizations exempt under IRC Sec. 501(c)(3)		\$98,000	
12	(D)		Repealed: Machines used in research and development (refer to Section 12-36-2120(56))			
13	(E)		Equipment provided, supplied, or installed on a firefighting vehicle is included with the vehicle		\$529,000	
14						
15	12-36-2120		Exemptions From Sales Tax			
16	(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	\$0		
17	(2)	1984	Tangible personal property sold to the federal government	\$206,056,000		
18	(3)	1951	Textbooks, books, magazines, periodicals, newspapers, and on-line access used in a course of study in all schools or for students' use in the school library	\$16,429,000		
19	(4)	1951	Sale of livestock used primarily as beasts of burden and livestock that provide, food, pelts, or fur	\$56,076,000		
20	(5)	1951	Feed used for production and maintenance of poultry and livestock	\$45,780,000		
21	(6)	1951	Insecticides, chemicals, fertilizers, soil conditioners, seeds, or seedlings, or nursery stock, used in production of farm, dairy, grove, vineyard, or garden products, or in the cultivation of poultry or livestock feed	\$22,892,000		

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22	(7)	1951	Containers and labels used in preparing agriculture, dairy, grove, or garden products, turpentine gum, gum spirits of turpentine, and gum resin for sale	\$1,436,000		
23	(8)	1951	Newsprint paper, newspapers, religious publications, including the Holy Bible, and the SC Department of Agriculture's "The Market Bulletin"	\$5,853,971		
24			Newsprint paper		\$1,045,000	
25			Newspaper sales		\$4,802,000	
26			The Holy Bible			*
27			The Market Bulletin		\$6,971	
28	(9)	1951	Coal, or coke, or other fuel sold to manufacturers, electric power companies, and transportation companies	\$152,984,000		
29			Manufacturing (Industrial)		\$52,536,000	
30			Electric utilities		\$78,981,000	
31			Transportation companies		\$21,467,000	
32	(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	\$20,034,000		
33	(11)	1951	Toll charges for the transmission of voice or messages between telephone exchanges and transactions	\$51,640,000		
34	(A)		Toll charges for the transmission of voice messages between telephone exchanges (long distance)		\$37,400,000	
35	(B)		Charges for telegraph messages			
36	(C)		Carrier and customer access charges established by the Federal Communications Commission or the SC Public Service Commission		\$9,471,000	
37	(D)		Automatic teller machine transactions		\$4,769,000	
38	(12)	1951	Water sold by public utilities, if rates and charges are the kind determined by the Public Service Commission or water sold by nonprofit corporations organized under Chapter 36 of Title 33	\$53,762,000		
39	(13)	1951	Fuel, lubricants, and supplies for use or consumption aboard ships in intercoastal trade or foreign commerce (commonly referred to as vessel bunkering)	\$19,095,000		
40	(14)	1951	Wrapping paper, wrapping twine, paper bags, and containers used in the sale and delivery of tangible personal property	\$35,784,000		

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41	(15)	1951	Motor fuel, blended fuel, and alternative fuel subject to tax under Chapter 28 Title 12; however, gasoline used in aircraft is not exempt from sales and use tax	\$521,287,000		
42	(A)		On-Highway		\$503,467,000	
43	(A)		Off-Highway		\$17,820,000	
44	(C)		Farm machinery and farm tractors		\$2,573,000	
45	(D)		Commercial fishing vessels		N/A	
46	(16)	1951	Farm machinery and replacement parts and attachments used in planting, cultivating or harvesting farm crops, the preservation of milk on dairy farms, and machines used in poultry production on poultry farms, when sold in the original state of production or preparation for sale	\$9,618,000		
47	(17)	1951	Machines used in manufacturing, processing, recycling, compounding, mining, or quarrying tangible personal property for sale	\$141,419,000		
48	(18)	1951	Fuel used exclusively to cure agriculture products	\$935,000		
49	(19)	1951	Electricity used by cotton gins, manufacturers, miners, or quarriers to manufacture, mine, or quarry tangible personal property for sale	\$114,666,000		
50	(20)	1951	Railroad cars, locomotives, and their parts, monorail cars, and the engines or motors that propel them, and their parts	\$4,489,000		
51	(21)	1951	Vessels and barges of more than 50 tons burden	\$173,000		
52	(22)	1990	Missile assembly materials used by the Armed Forces of the United States	N/A		
53	(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	\$51,033,000		
54	(24)	1959	Supplies and machinery used by laundries, cleaning, dyeing, pressing, or garment rental establishments (excludes coin-operated laundromats)	\$1,947,000		
55	(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	\$412,000		
56	(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	\$10,719,000		
57	(27)	1974	Plants and animals sold to any publically-supported zoological park or garden or any of its nonprofit support corporations			XX

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58	(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	\$518,927,000		
59	(A)		Medicine and prosthetic devices		\$491,962,000	
60	(B)		Diabetic supplies, including hypodermic needles, insulin, and blood sugar test strips		\$19,080,000	
61	(C)		Disposable medical supplies used in the treatment of a patient outside of a hospital, skilled nursing facility, or ambulatory surgical treatment center		\$2,831,000	
62	(D)		Medicine donated by its manufacturer to a public institution of higher education for research or for treatment of indigent patients		\$62,000	
63	(E)		Dental prosthetic devices		\$4,992,000	
64	(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	N/A		
65	(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 divisions original purchase	N/A		
66	(31)	1979	Vacation time sharing plans, vacation multiple ownership interests, and exchanges of interests in vacation time sharing plans and vacation multiple ownership interests as provided by Chapter 32 of Title 27, and any other exchange of accommodations in which the accommodations to be exchanged are the primary consideration	\$3,457,000		
67	(32)	1979	Natural and liquefied petroleum gas and electricity used exclusively in the production of poultry, livestock, swine, and milk	\$3,373,000		
68	(33)	1979	Electricity or any combustible heating material or substance used for residential purposes	\$341,700,000		
69			Electricity		\$310,200,000	
70			Natural Gas		\$26,100,000	
71			Fuel Oil		\$200,000	
72			Kerosene		\$100,000	
73			LP Gas		\$4,700,000	
74			Coal		\$0	
75			Other combustible material		\$400,000	
76	(34)	1981	Fifty percent of gross proceeds of the sale of a modular home, both on-frame and off-frame	\$492,000		

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77	(35)	1982	Motion picture film sold or rented to or by theaters	\$2,814,000		
78	(36)	1983	Tangible personal property to an out-of-state buyer where the seller is obligated by contract to deliver the property out of state	N/A		
79	(37)	1983	Petroleum asphalt products, used in paving, purchased in this state, which are transported and consumed out of state	\$171,000		
80	(38)	1985	Hearing aids	\$3,123,000		
81	(39)	1986	Concession sales at a festival by an organization devoted exclusively to public or charitable purposes	\$362,000		
82	(40)	1988	Containers and chassis, including parts, components, and attachments, sold to international shipping lines in contract with th SC State Ports Authority and used for the import and export of goods to and from South Carolina	\$863,000		
83	(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	\$6,124,000		
84	(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	\$105,000		
85	(43)	1991	All supplies, technical equipment, machinery, and electricity sold to motion picture companies for use in filming or producing motion pictures	\$331,000		
86	(44)	1991	Electricity used to irrigate crops	\$300,000		
87	(45)	1991	Building materials, supplies, fixtures, and equipment for the construction, repair or improvement of commercial housing of poultry or livestock	\$398,000		
88	(46)	1991	War memorials or monuments honoring units of the US Armed Forces or National Guard, including US military vessels, affixed to public property	\$50,000		
89	(47)	1994	Tangible personal property sold to charitable hospitals serving children where care is provided without charge	\$61,000		
90	(48)	1994	Solid waste disposal collection bags when the county or political subdivision requires the purchase of a specific bag for solid waste disposal	\$37,000		
91	(49)	1994	Postage paid by a person engaged in the business of selling advertising services for clients	\$831,000		
92	(50)	1995	Recycling property, including fuels and gasses of any type, fluids, and lubricants used by a qualified recycling facility	\$3,141,000		
93	(51)	1996	Material handling systems and equipment used in a distribution or manufacturing facility	\$1,900,000		
94	(52)	1996	Parts and supplies used by persons engaged in the business of repairing or reconditioning aircraft	\$754,000		
95	(53)	1996	Motor vehicle extended service contracts and extended warranty contracts	\$2,954,000		

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96	(54)	1999	Clothing and attire for working in a Class 100 or better clean room environment	N/A		
97	(55)	2000	Audiovisual masters made or used by a production company in making visual and audio images for first generation reproduction	\$47,000		
98	(56)	2000	Machines used in research and development	\$5,633,000		
99	(57)	2000	Sales tax holiday during the first weekend in August on clothing, footwear, and qualified school supplies	\$2,250,000		
100	(58)	2000	Cooperative direct mail promotional advertising materials, and promotional maps, brochures, pamphlets, or discount coupons by nonprofit chambers of commerce or convention and visitor bureaus, delivered to residents of SC at no charge from locations inside or outside the State	\$962,000		
101	(59)	2001	Facilities for transmitting electricity that is transferred, sold, or exchanged to a limited liability company controlling electric transmission assets	N/A		
102	(60)	2001	Lottery ticket sales	\$108,269,000		
103	(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	N/A		
104	(62)	2003	Seventy percent of the gross rental sales or leases of portable toilets	\$501,000		
105	(63)	2005	Prescription and over-the-counter medicines and medical supplies sold to charitable medical and dental clinics	\$237,000		
106	(64)	2005	Sweet grass baskets made by South Carolina artists	\$312,000		
107	(65)	2006	Computer equipment used in a technology intensive facility	N/A		
108	(66)	2006	Electricity used by a technology intensive facility	N/A		
109	(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	\$19,215,000		
110	(68)	2006	Any property sold to the public through a sheriff's sale as provided by law	\$254,000		
111	(69)	2006	[Reserved]	N/A		
112	(70)	2007	Gold, silver, or platinum bullion; legal tender coins and currency	N/A		
113	(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	N/A		
114	(72)	2007	Building materials used to construct a new or renovated building or any machinery or equipment located in a research district	\$1,543,000		
115	(73)	2007	Amusement park rides and any parts, machinery, and equipment used to assemble and operate a ride or performance venue facility	\$1,432,000		

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116	(74)	2007	Durable medical equipment which is paid by state or federal Medicaid funds	\$2,789,000		
117	(75)	2007	Unprepared food that may be purchased with United States Department of Agriculture food coupons	\$444,752,000		
118	(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)			**
119	(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			**
120	(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	\$239,000		
121	(79)	2012	Original or replacement computers, computer equipment, and computer hardware and software purchases used within a datacenter, including electricity, 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% of the per capita income level of the State or of the county where the facility is located.	\$1,800,000		
122	(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.	\$5,015,000		
123	(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	\$270,000		
124	(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	\$1,413,000		
125	(83)	2017	Any item subject to the fee set forth in Section 56-3-627			2/
126						
127	12-36-2130		Exemptions From Use Tax			
128	(1)		Gross proceeds of the sale of property on which the use tax has been paid by its seller or retailer	N/A		
129	(2)	1988	Purchases made by museums and exhibition rentals purchased or leased for sources outside of the State			xxx
130						
131	12-36-2610	1959	Discount for timely filed payment of tax, maximum discount of \$10,000 for voluntarily registered out-of-state retailers and \$3,000 for all other retailers (\$3,100 for retailers filing by EFT)	\$39,760,000		
132						
133	12-36-2620					
134	(2)		One percent sales tax exemption for those individuals 85 years and older	\$3,256,000		

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135						
136			Provisos			
137	117.37	1995	Tangible personal property purchased for use in private primary and secondary schools, including kindergartens and early childhood education programs	\$6,540,000		
138	117.57	2005	Respiratory syncytial virus medicines	\$2,617,000		
139	117.61	2006	Viscosupplementation therapies sales	\$508,000		
140	117.137	2017	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	\$1,680,000		
141						
142			Total Sales and Use Tax Exemptions	\$3,372,893,000		

- Notes:**
- 1/ Each sales and use tax exemption is calculated with all other factors held constant so that the effect of the change in the exemption may be isolated. Each exemption is calculated by applying a six percent sales and use tax rate, except for the sales and use tax exemption on food purchased for home consumption which is calculated by applying a five percent sales and use tax rate.
 - 2/ The maximum sales and use tax cap was increased from the lessor of five percent or \$300 to the lessor of five percent or \$500 per item in Act 40 of 2017. The Act replaced the maximum sales and use tax on the sale or lease of specific items with an infrastructure maintenance fee beginning after June 30, 2017. The maximum infrastructure maintenance fee affects those items required to be registered by the Department of Motor Vehicles pursuant to Section 56-3-627. Those enumerated items subject to the infrastructure maintenance fee include motor vehicles, motorcycles, recreational vehicles, truck trailers or semitrailers, and horse trailers. Those emunerated items still subject to the maximum sales and use tax and are not registered by the Department of Motor Vehicles include airplanes, boats, utility trailers, and self-propelled light construction equipment. The infrastructure mainenance fee is credited to the Infrastructure Maintenance Trust Fund.
 - * = Exemption ruled unconstitutional.
 - ** = Act 338 of 2008 creating the exemptions was declared unconstitutional by the S.C. Supreme Court in South Carolina v. The American Petroleum Institution & BP Products North America, Inc., May 4, 2009. Statutory exemption is not effective.
 - N/A = not applicable or not available
 - xx = source data is unavailable, but estimate is believed to be less than \$50,000 per year.
 - xxx = source data is unavailable, but estimate is believed to be less than \$100,000 per year.

Sources: South Carolina Revenue and Fiscal Affairs Office, Board of Economic Advisors; Office of Economic Research; South Carolina Department of Revenue; Legislative Printing and Information Technology Resources, Columbia, S.C.

South Carolina Board of Economic Advisors
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