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BOBBY BOWERS
DIRECTOR

July 29, 2005

The Honorable Hugh K. Leatherman, Sr.
Chairman, Senate Finance Committee
South Carolina Senate
111 Gressette Building
Columbia, SC 29202

Dear Senator Leatherman:

This is in response to a request made on your behalf by Mike Shealy for information on Local Sales Taxes. Enclosed are four tables with information on Local Sales Taxes. The first table shows the counties with local sales taxes and the amount of revenue these local taxes generated in FY 2004. The second table details Local Option Sales Tax collections for FY 2001 – FY 2004. The third table details sales and use tax rates by county. The fourth table details South Carolina counties with additional sales taxes along with the implementation dates of these local sales taxes.

If you have any questions, I will be happy to answer them.

Sincerely,

A handwritten signature in cursive script that reads "William C. Gillespie".

William C. Gillespie, Ph. D.

WCG/cgg

Local Sales Taxes

	Local Option Sales Tax FY 2004	Capital Project Tax FY 2004	School District Tax FY 2004	Transportation Tax	Total Local Sales Taxes FY 2004
Abbeville	1,214,718				1,214,718
Aiken		12,941,578			12,941,578
Allendale	420,037	417,565			837,602
Bamberg	911,413				911,413
Barnwell	1,693,899				1,693,899
Berkeley	13,456,729				13,456,729
Calhoun	** Started May 05				
Charleston	63,136,330			** Started May 05	63,136,330
Cherokee			4,329,524		4,329,524
Chester	1,996,245				1,996,245
Chesterfield	2,679,969		2,384,075		5,064,044
Clarendon	1,955,924		** Started June 04		1,955,924
Colleton	3,112,216				3,112,216
Darlington	5,017,521		1,126,060		6,143,581
Dillon	2,367,592	1,989,367			4,356,959
Dorchester				** Started May 05	
Edgefield	1,082,711				1,082,711
Florence	18,065,754				18,065,754
Hampton	1,277,420	1,019,986			2,297,406
Jasper	2,276,252		2,086,278		4,362,530
Kershaw	4,342,779				4,342,779
Lancaster	4,605,849				4,605,849
Laurens	3,676,499				3,676,499
Lee	784,654				784,654
Lexington			** Started March 05		
McCormick	448,670				448,670
Marion	2,277,399				2,277,399
Marlboro	1,379,243				1,379,243
Newberry		2,723,587			2,723,587
Orangeburg		8,072,609			8,072,609
Pickens	8,717,634				8,717,634
Richland	** Started May 05				
Saluda	716,595				716,595
Sumter	9,314,370				9,314,370
Williamburg	1,801,117				1,801,117
York		18,432,774			18,432,774
Sum Allocated	158,729,539	45,597,466	9,925,937		214,252,942
Unknown					
Total	158,729,539	45,597,466	9,925,937		214,252,942

Financial Option Sales and Use Tax Collections by County

	LOST FY 2001	LOST FY 2002	LOST FY 2003	LOST FY 2004	Percent Change	Percent Change	Percent Change
Abbeville	1,214,927	1,264,107	1,259,160	1,214,718	4.05%	-0.39%	-3.53%
Allendale	549,837	592,564	451,577	420,037	7.77%	-23.79%	-6.98%
Bamberg	852,480	845,835	879,222	911,413	-0.78%	3.95%	3.66%
Barnwell	1,589,428	1,614,282	1,616,564	1,693,899	1.56%	0.14%	4.78%
Berkeley	10,572,771	11,186,775	12,074,121	13,456,729	5.81%	7.93%	11.45%
Charleston	55,424,198	55,686,939	58,560,040	63,136,330	0.47%	5.16%	7.81%
Chester	2,147,731	1,980,621	1,927,313	1,996,245	-7.78%	-2.69%	3.58%
Chesterfield	2,635,956	2,654,899	2,823,312	2,679,969	0.72%	6.34%	-5.08%
Clarendon	1,796,089	1,831,347	1,795,365	1,955,924	1.96%	-1.96%	8.94%
Colleton	2,858,571	2,987,531	3,037,874	3,112,216	4.51%	1.69%	2.45%
Darlington	4,652,262	4,653,023	4,777,120	5,017,521	0.02%	2.67%	5.03%
Dillon	2,094,446	2,190,788	2,215,797	2,367,592	4.60%	1.14%	6.85%
Edgefield	985,696	1,032,082	1,034,667	1,082,711	4.71%	0.25%	4.64%
Florence	16,954,298	16,912,682	17,588,549	18,065,754	-0.25%	4.00%	2.71%
Hampton	1,278,296	1,180,072	1,184,620	1,277,420	-7.68%	0.39%	7.83%
Jasper	1,741,631	1,810,544	2,167,060	2,276,252	3.96%	19.69%	5.04%
Kershaw	3,900,704	3,969,245	4,082,527	4,342,779	1.76%	2.85%	6.37%
Lancaster	4,374,804	4,515,972	4,389,020	4,605,849	3.23%	-2.81%	4.94%
Laurens	3,664,153	3,596,446	3,599,569	3,676,499	-1.85%	0.09%	2.14%
Lee	766,517	738,778	718,820	784,654	-3.62%	-2.70%	9.16%
McCormick	458,290	442,697	400,231	448,670	-3.40%	-9.59%	12.10%
Marion	2,287,743	2,222,380	2,234,035	2,277,399	-2.86%	0.52%	1.94%
Marlboro	1,610,783	1,430,920	1,385,669	1,379,243	-11.17%	-3.16%	-0.46%
Pickens	8,163,943	8,420,342	8,384,590	8,717,634	3.14%	-0.42%	3.97%
Saluda	734,647	712,822	715,749	716,595	-2.97%	0.41%	0.12%
Sumter	8,609,712	8,630,436	8,865,832	9,314,370	0.24%	2.73%	5.06%
Williamsburg	1,643,992	1,737,217	1,703,652	1,801,117	5.67%	-1.93%	5.72%
Sum Allocated	143,563,905	144,841,346	149,872,055	158,729,539			
Unknown	193,445						
Total	143,757,350	144,841,346	149,872,055	158,729,539	0.75%	3.47%	5.91%

SALES AND USE TAX RATES BY COUNTY

The States basic sales and use tax rates is five percent (5%). Currently, some counties impose local sales and use tax of one percent or two percent in addition to the state's basic rate. The combined state and local tax rates for counties located in SC are listed in the chart below. The tax rate imposed is generally based upon the location in which the sale is consummated. (Usually this is where the business is located, but it can be the place of delivery or physical presence by acceptance of goods sold: if different from the business location.)

Explanation of Tax Types Collected.

- (A) LOCAL OPTION TAX (5% State and 1% Local)
- (B) CAPITAL PROJECTS TAX (5% State and 1% Capital)
- (C) SCHOOL DISTRICT TAX (5% State and 1% School)
- (D) TRANSPORTATION TAX (5% State and 1% Transportation)
- (E) LOCAL OPTION AND CAPITAL PROJECTS TAX (5% State, 1% Local and 1% Capital)
- (F) LOCAL OPTION AND SCHOOL DISTRICT TAX (5% State, 1% Local and 1% School)
- (G) LOCAL OPTION AND TRANSPORTATION (5% State, 1% Local and .005 Transportation)

SALES AND USE TAX RATES BY COUNTY AS OF MAY 1, 2005

COUNTY	TAX TYPE	RATE	COUNTY	TAX TYPE	RATE
Abbeville.....	A	6%	Greenwood.....		5%
Aiken.....	B	6%	Hampton.....	E	7%
Allendale.....	E	7%	Horry.....		5%
Anderson.....		5%	Jasper.....	F	7%
Bamberg.....	A	6%	Kershaw.....	A	6%
Barnwell.....	A	6%	* Lancaster.....	A	6%
Beaufort.....		5%	Laurens.....	A	6%
Berkeley.....	A	6%	Lee.....	A	6%
Calhoun.....	A	6%	Lexington.....	C	6%
Charleston.....	G	6.5%	McCormick.....	A	6%
Cherokee.....	C	6%	Marion.....	A	6%
Chester.....	A	6%	Marlboro.....	A	6%
Chesterfield.....	F	7%	Newberry.....	B	6%
Clarendon.....	F	7%	Oconee.....		5%
Colleton.....	A	6%	Orangeburg.....	B	6%
Darlington.....	F	7%	Pickens.....	A	6%
Dillon.....	E.....	7%	Richland.....	A	6%
Dorchester.....	D.....	6%	Saluda.....	A	6%
Edgefield.....	A.....	6%	Spartanburg.....		5%
Fairfield.....		5%	Sumter.....	A	6%
Florence.....	A	6%	Union.....		5%
Georgetown.....		5%	Williamsburg.....	A.....	6%
Greenville.....		5%	* York.....	B	6%

*NOTE: This chart does not contain rates applicable to sales to the Catawba Indian reservation. For information relating to these rates see instructions on reverse side of Form ST-389 or contact the Department at (803) 898-5800.

South Carolina Counties with Additional Sales Tax
(As of May 1, 2005)

County	Date of Implementation	Type of Tax	Percent	Note
Abbeville	May 1992	Local Option	1.0%	
Aiken	May 2001	Capital Projects	1.0%	
Allendale	May 1992	Local Option	1.0%	
	May 2001	Capital Projects	1.0%	
Bamberg	May 1992	Local Option	1.0%	
Barnwell	May 1999	Local Option	1.0%	
Beaufort	June 1999	Transportation	1.0%	(Ended Dec. 1, 2000)
Berkeley	May 1997	Local Option	1.0%	
Calhoun	May 2005	Local Option	1.0%	
Charleston	July 1991	Local Option	1.0%	
	May 2005	Transportation	0.50%	
Cherokee	July 1996	School District	1.0%	(No more than 20 years)
Chester	May 1994	Local Option	1.0%	
	May 1999	Capital Projects	1.0%	(Ended May 2000)
Chesterfield	May 1997	Local Option	1.0%	
	Sept 2000	School District	1.0%	
Clarendon	May 1997	Local Option	1.0%	
	June 2004	School District	1.0%	
Colleton	July 1991	Local Option	1.0%	
Darlington	May 1997	Local Option	1.0%	
	Feb 2004	School District	1.0%	
Dillon	May 1996	Local Option	1.0%	
	May 2003	Capital Projects	1.0%	
Dorchester	May 2005	Transportation	0.50%	
Edgefield	May 1992	Local Option	1.0%	
Florence	May 1994	Local Option	1.0%	
Hampton	July 1991	Local Option	1.0%	
	May 2003	Capital Projects	1.0%	
Jasper	July 1991	Local Option	1.0%	
	May 1999	Capital Projects	1.0%	(Ended Nov. 2002)
	Dec 2002	School District	1.0%	
Kershaw	May 1997	Local Option	1.0%	
Lancaster	May 1992	Local Option	1.0%	
Laurens	May 1999	Local Option	1.0%	
Lee	May 1996	Local Option	1.0%	
Lexington	March 2005	School District	1.0%	
McCormick	July 1991	Local Option	1.0%	
Marion	July 1991	Local Option	1.0%	
Marlboro	May 1992	Local Option	1.0%	
Newberry	May 1999	Capital Projects	1.0%	
Orangeburg	May 1999	Capital Projects	1.0%	
Pickens	May 1995	Local Option	1.0%	
Richland	May 2005	Local Option	1.0%	
Saluda	May 1992	Local Option	1.0%	
Sumter	May 1996	Local Option	1.0%	
Williamsburg	May 1997	Local Option	1.0%	
York	May 1998	Capital Projects	1.0%	

Note: The taxes noted above are in addition to the 5% statewide general sales and use tax.

Source: South Carolina Department of Revenue

Local Sales and Use Tax

Twenty-five counties in South Carolina impose an additional 1% local option sales tax. The combined sales tax rate in these counties is 6%. The counties which have approved a local tax are: Abbeville, Allendale, Bamberg, Barnwell, Berkeley, Charleston, Cherokee, Chesterfield, Clarendon, Colleton, Darlington, Dillon, Edgefield, Florence, Hampton, (Two counties in South Carolina impose an additional 2% local sale tax. The combined sales tax rate in these counties is 7%. The counties which have approved two local taxes are Chesterfield and Jasper) Kershaw, Lancaster, Laurens, Lee, Marion, Marlboro, McCormick, Pickens, Saluda, Sumter and Williamsburg. Elections may be held each November and additional counties may approve the local tax at that time. If the tax is approved by voters, the tax will become effective in that county on May 1 following the election. Items limited to the \$300 maximum sales and use tax are not subject to the local tax. The local sales and use tax is reported on Form ST-3. You must complete Form ST-389, Schedule for Local Taxes. Cherokee County voters have approved a special local 1% sales and use tax to be used entirely for schools in that county. The 1% tax in Cherokee County does not apply to items with a \$300 sales tax cap, foods which may be purchased with food stamps and items exempt from the sales tax.

5% COUNTIES WITH A 5% SALES AND USE TAX RATE:

ANDERSON	GREENWOOD
BEAUFORT	HORRY
FAIRFIELD	OCONEE
GEORGETOWN	SPARTANBURG
GREENVILLE	UNION

6% COUNTIES WITH A 6% SALES AND USE TAX RATE:
(INCLUDES A LOCAL OPTION SALES TAX OR A SPECIAL LOCAL TAX OF 1%)

ABBEVILLE	LAURENS
AIKEN	LEE
BAMBERG	LEXINGTON
BARNWELL	MARION
BERKELEY	MARLBORO
CALHOUN	MCCORMICK
CHEROKEE	NEWBERRY
CHESTER	ORANGEBURG
COLLETON	PICKENS
DORCHESTER	RICHLAND
EDGEFIELD	SALUDA
FLORENCE	SUMTER
KERSHAW	WILLIAMSBURG
LANCASTER	YORK

6.5% COUNTIES WITH A 6.5% SALES AND USE TAX RATE:
INCLUDES A COMBINATION OF LOCAL OPTION AND SPECIAL LOCAL SALES TAXES OF 1.5%:
CHARLESTON (EFFECTIVE 5/1/05)

7% COUNTIES WITH A 7% SALES AND USE TAX RATE:
INCLUDES A COMBINATION OF LOCAL OPTION AND SPECIAL LOCAL SALES TAXES OF 2%:

ALLENDALE (EFFECTIVE 5/1/00)
CHESTERFIELD (EFFECTIVE 9/1/00)
CLARENDON (EFFECTIVE 6/1/04)
DARLINGTON (EFFECTIVE 2/1/04)
DILLON (EFFECTIVE 5/1/03)
HAMPTON (EFFECTIVE 5/1/03)
JASPER (EFFECTIVE 12/1/02)

WHEN A ZIP CODE IS DIVIDED ACROSS COUNTY LINES AND ONE COUNTY HAS A LOCAL TAX AND ANOTHER DOES NOT, VENDORS SHOULD CONTACT THE CUSTOMER TO INQUIRE ABOUT THE COUNTY LOCATION.