

STATE OF SOUTH CAROLINA  
DEPARTMENT OF REVENUE

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INSTRUCTIONS AND FORMS FOR

**2003**

DECLARATION OF ESTIMATED TAX  
FOR INDIVIDUALS



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**FORM SC1040ES**

**STATE OF SOUTH CAROLINA  
INDIVIDUAL DECLARATION OF ESTIMATED TAX  
INSTRUCTION AND WORKSHEET**

The enclosed declaration payment-vouchers are provided for you to file your declaration of estimated tax and to pay the installments due. Quarterly billings will not be made. Therefore the payment-voucher must be attached to your payment to assure accurate posting of the amount paid.

**A WHO MUST FILE A DECLARATION**

Every individual must file a declaration of estimated tax for 2003 if the expected total amount of tax owed when the income tax return is filed will be \$1000.00 or more. This includes all individuals residing in the state, also nonresidents and part-year residents receiving South Carolina taxable income.

Exceptions for filing a declaration are:

- (1) **Farmers and Commercial Fishermen** whose gross income from farming or fishing for 2002 or 2003 is at least two-thirds (66.7%) of the total gross income from all sources. These taxpayers may choose to pay all their estimated tax by January 15, 2004 or to file their 2003 Form SC1040 and pay the total tax due by March 1, 2004 instead of making four quarterly installments.
- (2) **Any Individual who** was a resident of South Carolina throughout the preceding taxable year, had no South Carolina tax liability for the prior year, and whose prior year tax return was (or would have been, had the individual been required to file) for a full 12 months;
- (3) **Any Individual who was not** a resident of South Carolina throughout the preceding taxable year, had no South Carolina tax liability for the prior year, and whose prior year tax return was (or would have been, had the individual been required to file) for a full 12 months;
- (4) **Any nonresident taxpayer** doing business in South Carolina on a contract basis when the contract exceeds ten thousand dollars (\$10,000) and the tax is withheld at the rate of two percent (2%) from each contract payment.

**NOTE: You may be able to avoid making estimated tax payments by asking your employer to withhold more state tax from your earnings, if applicable. To increase your state withholding, file a new withholding exemption certificate. Civil service retirees may contact the US Office of Personnel Management at 1-800-409-6528 to have SC withholding withheld from retirement income.**

**B WHEN TO FILE YOUR ESTIMATED TAX**

An individual taxpayer on the calendar year period will generally file a declaration of estimated tax voucher on April 15, 2003, June 16, 2003, September 15, 2003 and January 15, 2004. However, there are exceptions to the rule. The exceptions are brought about by the receipt of income during a particular period of the taxable year.

- |   |   |                           |
|---|---|---------------------------|
| (1) Other declaration filing dates if not required to file on April 15. | <b>If the requirement is met after:</b> | <b>Filing date is:</b>    |
|   | April 1 and before June 1               | <b>June 16, 2003</b>      |
|   | June 1 and before September 1           | <b>September 15, 2003</b> |
|   | September 1                             | <b>January 15, 2004</b>   |

(2) Fiscal Year taxpayers must file their declaration of estimated tax vouchers on the 15th day of the 4th, 6th, and 9th months of the fiscal year and the first month of the following fiscal year.

**C PAYMENT OF ESTIMATED TAX**

Pay your estimated tax in equal amounts on the required filing dates attached to the corresponding voucher; however, you may pay all of your estimated tax on April 15, when the first installment is due. Instead of making your last payment of estimated tax on January 15 (Voucher Number 4), you may file your completed income tax return by January 31 and pay in full the balance of all income tax owed. If there is any overpayment shown on the income tax return filed, the overpayment may be transferred to your estimated tax account for the next year. The amount to be transferred must be entered on the income tax return. The declaration voucher does not have to be attached to the return for the transfer to be made.

**D JOINT VS. SINGLE DECLARATION**

A husband and wife who are living together may file a joint declaration; however, there are exceptions that require a single or separate declaration. These exceptions are: (1) married taxpayers with different taxable years and (2) married taxpayers who wish to retain their own identity by using different last names.

**NOTE:** Married taxpayers who file joint SC1040ES vouchers but file separately (or vice versa) when filing Form SC1040 may not receive proper credit for their estimated payments thus generating a deficiency or other notice. Should this occur, contact with the South Carolina Department of Revenue will be required to clarify the matter.

**E AMENDED DECLARATION**

Your declaration must be amended if you find that the estimated tax is substantially increased or decreased as a result of (1) a change in income, (2) a change in exemptions or (3) a change in the income tax withholding. The amended declaration should be filed on or before the next filing date that is June 16, September 15, or January 15. A special form for amending your declaration will not be needed. Therefore you must use the regular declaration voucher for the filing period.

**F PENALTY FOR FAILURE TO FILE AND PAY ESTIMATED TAX**

You may be charged a penalty for not paying enough estimated tax, or for not making the payments on time in the required amount. The penalty does not apply if each required payment is timely and the total tax paid is at least 90% of the total tax due. No penalty will be due for underpayments attributable to personal service income earned in another state on which income tax withholding due to the other state was withheld. **Most taxpayers filing a declaration may also avoid penalty by paying 100% of the tax shown to be due on the return filed for the preceding taxable year.** You must have filed a South Carolina return for the preceding tax year and it must have been for a full 12-month year. However, the 100% rule is modified to be 110% of last year's tax liability for an individual with an adjusted gross income of more than \$150,000 as shown on the return for the preceding tax year. (To compute adjusted gross income use federal guidelines and make South Carolina adjustments.) Use Form SC2210 to compute the penalty.

**G HOW TO USE THE PAYMENT-VOUCHER**

The preprinted payment-voucher has the taxpayer's name, address and Social Security number as shown in the files of the SC Department of Revenue. Check the preprinted information for correctness of name, address, and Social Security number. If in error, PLEASE TYPE OR PRINT your corrections.

- (1) If you do not have a preprinted payment-voucher, enter your correct name, address and Social Security number in the space provided.
- (2) Enter the amount shown on line 11 of the worksheet on the Amount of Payment line. If no payment amount is due, no payment voucher needs to be filed.
- (3) Tear off at the perforation.
- (4) Attach your check or money order, made payable to the South Carolina Department of Revenue, to the payment-voucher.

Mail the payment-voucher and remittance to the South Carolina Department of Revenue, Estimated Tax, Columbia, SC 29214-0005. Use the preaddressed labels that came with your payment-voucher. **VERY IMPORTANT -- Fill in the Record of Estimated Tax Payments on page 2 so you will have a record of all payments made.** The Department will not mail you a statement showing the amount of estimated tax paid during the year.

----- Cut Here -----



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DEPARTMENT OF REVENUE  
**INDIVIDUAL DECLARATION OF ESTIMATED TAX**

**2003**

**SC1040ES**  
(Rev. 8/20/02)  
3080

**Mail to:** SC Department of Revenue, Estimated Tax, Columbia SC 29214-0005

Your Social Security Number	Spouse's Social Security Number (if joint)
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**Payment Voucher Number 1**  
**Calendar year -- Due April 15, 2003**

Name and Address (include spouse's name if joint)

ENTER PAYMENT AMOUNT
<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

14-0806

Office Use Only

**INSTRUCTIONS TO FOLLOW WHEN AMENDING YOUR DECLARATION**

1. Use the Estimated Tax Worksheet on the reverse side as your guide to determine the Amended tax due using the corrected amounts of income, deductions and exemptions from your federal information.
2. Fill out the Amended Declaration Schedule below to determine the amount to be paid.
3. Refer to the payment-voucher for the filing period and insert the amended amount of payment.
4. Tear off payment-voucher at the perforation and mail with your payment.

<b>2003 AMENDED DECLARATION SCHEDULE</b>	
<b>(Use if the estimated tax changes after you file your declaration.)</b>	
1. Amended estimated tax enter here .....	
2. Less (A) Amount of 2002 overpayment elected for credit to 2003 .....	
(B) Estimated tax payments to date .....	
(C) Total of lines 2(A) and (B) .....	
3. Unpaid balance (subtract line 2(C) from line 1) .....	
4. Amount to be paid (line 3 divided by number of remaining filing dates) Enter here and on payment-voucher under Amount of Payment .....	

## 2003 Tax Computation Schedule for South Carolina Residents and Nonresidents

<b>TAX COMPUTATION SCHEDULE</b>	<b>Example of computation for Tax Computation Schedule</b>																																																																														
If the amount on line 3 of worksheet is: Compute the tax as follows:	South Carolina income subject to tax on line 3 of worksheet is \$15,240. The tax is calculated as follows:																																																																														
<table style="width: 100%; border: none;"> <tr> <td style="width: 15%;"></td> <td style="width: 15%; text-align: center;">BUT NOT</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td style="text-align: center;">OVER --</td> <td style="text-align: center;">OVER--</td> <td style="text-align: center;">--0--</td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">\$0</td> <td style="text-align: center;">\$2,460</td> <td style="text-align: center;">2.5% Times the amount</td> <td style="text-align: right;">\$ 0</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">2,460</td> <td style="text-align: center;">4,920</td> <td style="text-align: center;">3% Times the amount less</td> <td style="text-align: right;">\$ 12</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">4,920</td> <td style="text-align: center;">7,380</td> <td style="text-align: center;">4% Times the amount less</td> <td style="text-align: right;">\$ 62</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">7,380</td> <td style="text-align: center;">9,840</td> <td style="text-align: center;">5% Times the amount less</td> <td style="text-align: right;">\$ 135</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">9,840</td> <td style="text-align: center;">12,300</td> <td style="text-align: center;">6% Times the amount less</td> <td style="text-align: right;">\$ 234</td> <td></td> <td></td> </tr> <tr> <td style="text-align: center;">12,300+</td> <td style="text-align: center;">or more</td> <td style="text-align: center;">7% Times the amount less</td> <td style="text-align: right;">\$ 357</td> <td></td> <td></td> </tr> </table>		BUT NOT					OVER --	OVER--	--0--				\$0	\$2,460	2.5% Times the amount	\$ 0			2,460	4,920	3% Times the amount less	\$ 12			4,920	7,380	4% Times the amount less	\$ 62			7,380	9,840	5% Times the amount less	\$ 135			9,840	12,300	6% Times the amount less	\$ 234			12,300+	or more	7% Times the amount less	\$ 357			<table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">\$15,240.00</td> <td style="width: 15%;">income from line 3, of worksheet</td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> <td style="width: 15%;"></td> </tr> <tr> <td style="text-align: right;">X .07</td> <td style="text-align: center;">percent from tax computation schedule</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">1,066.80</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">-357.00</td> <td style="text-align: center;">subtract amount from tax computation schedule</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td style="text-align: right;">\$ 709.08</td> <td style="text-align: center;">rounded to \$710.00</td> <td></td> <td></td> <td></td> <td></td> </tr> </table> <p>\$710.00 is the amount of tax to be entered on line 4 of worksheet</p>	\$15,240.00	income from line 3, of worksheet					X .07	percent from tax computation schedule					1,066.80						-357.00	subtract amount from tax computation schedule					\$ 709.08	rounded to \$710.00				
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**Mail to:** SC Department of Revenue, Estimated Tax, Columbia SC 29214-0005

Your Social Security Number

Spouse's Social Security Number (if joint)

**Payment Voucher Number 2**

**Calendar year -- Due June 16, 2003**

Name and Address (include spouse's name if joint)

ENTER PAYMENT AMOUNT

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>
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14-0806

Office Use Only

Return this form with check or money order payable to: **The SC Department of Revenue**

Write your **Social Security Number(s)** on your payment.



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**Mail to:** SC Department of Revenue, Estimated Tax, Columbia SC 29214-0005

Your Social Security Number

Spouse's Social Security Number (if joint)

**Payment Voucher Number 3**

**Calendar year -- Due September 15, 2003**

Name and Address (include spouse's name if joint)

ENTER PAYMENT AMOUNT

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>
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**Mail to:** SC Department of Revenue, Estimated Tax, Columbia SC 29214-0005

Your Social Security Number

Spouse's Social Security Number (if joint)

**Payment Voucher Number 4**

**Calendar year -- Due January 15, 2004**

Name and Address (include spouse's name if joint)

ENTER PAYMENT AMOUNT

<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	.	<input type="text"/>	<input type="text"/>
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Write your **Social Security Number(s)** on your payment.

# WORKSHEET AND RECORD OF ESTIMATED TAX PAYMENT

## HOW TO COMPUTE YOUR ESTIMATED TAX (Nonresident - see special instructions below.)

Below is your Estimated Tax Worksheet with the tax computation schedule for computing estimated tax. Use your 2002 income tax return as a guide for figuring the estimated tax. See instruction F for penalties.

### 2003 ESTIMATED TAX WORKSHEET

1. Enter amount of your federal taxable income from the 2003 Federal 1040ES, line 5 . . . . .	1. \$	_____
2. Allowable State Adjustments (plus or minus) . . . . .	2. \$	_____
3. This is your South Carolina taxable income . . . . .	3. \$	_____
4. Tax (Figure the tax on line 3 by using the Tax Computation Schedule in these instructions.) . . . . .	4. \$	_____
5. Enter any additional tax (SC4972) . . . . .	5. \$	_____
6. Add lines 4 and 5 . . . . .	6. \$	_____
7. Credits (Child and Dependent Care credit, Tax credit to other states, Two Wage Earner credit, Water Resources, etc) . . . . .	7. \$	_____
8. Subtract line 7 from line 6 . . . . .	8. \$	_____
9. State income tax withheld and estimated to be withheld (including income tax withholding on pension, annuities, etc.) during the entire year 2003 . . . . .	9. \$	_____
10. Balance estimated Tax (Subtract line 9 from line 8.) If \$1000.00 or more, complete and file the payment-voucher along with your payment; if less, no payment is required at this time. . . . .	10. \$	_____
<p>Caution: You are required to prepay at least 90% of your tax liability each year. If you prepay less than 90% of your actual tax liability, you may be subject to a penalty. See Section F of the instructions for penalty information.</p> <p>If you are unsure of your estimate, you may want to pay more than 90% of the amount you have estimated.</p>		
11. If the first payment you are required to file is:		
Due April 15, 2003, enter 1/4 Due June 16, 2003, enter 1/2 Due September 15, 2003, enter 3/4 Due January 15, 2004, enter amount	}	of line 10 (less any 2002 overpayment applied to 2003 estimated tax). Enter here and on your payment-voucher . . . . . 11. \$ _____

### RECORD OF ESTIMATED TAX PAYMENT

NO.	(A) DATE	(B) AMOUNT	(C) 2002 OVERPAYMENT CREDIT APPLIED	(D) TOTAL PAID AND CREDITED ADD (B) and (C)
1.				
2.				
3.				
4.				
<b>TOTAL . . . . .</b>				

### NONRESIDENT - SPECIAL INSTRUCTIONS

Use the 2002 Form SC1040 and Schedule NR as a basis for determining the **modified South Carolina taxable income** subject to an estimated tax. Enter the modified South Carolina taxable income on line 3 of the above worksheet. Determine the amount of tax using the 2003 tax computation schedule. Enter the tax on line 4 of above worksheet. Complete lines 5 through 11 of above worksheet as instructed.

#### Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form if you are an individual taxpayer. 42 U.S.C 405(c)(2)(C)(i) permits a state to use an individual's social security number as means of identification in administration of any tax. SC Regulation 117-1 mandates that any person required to make a return to the SC Department of Revenue shall provide identifying numbers, as prescribed, for securing proper identification. Your social security number is used for identification purposes.

#### The Family Privacy Protection Act

Under the Family Privacy Protection Act, the collection of personal information from citizens by the Department of Revenue is limited to the information necessary for the Department to fulfill its statutory duties. In most instances, once this information is collected by the Department, it is protected by law from public disclosure. In those situations where public disclosure is not prohibited, the Family Privacy Protection Act prevents such information from being used by third parties for commercial solicitation purposes.