

ESSENTIAL INFORMATION FOR ST-3/ST-389 (Rev. 9/6/02)

Please read carefully and keep this booklet in a convenient place for future reference.

INTRODUCTION

The South Carolina Department of Revenue is requiring taxpayers to report their taxes on Form ST-3 and Form ST-389, if applicable.

Form ST-3 is preprinted with your:

- Business Name
- Address
- Retail License Number or Purchaser's Certificate (Use Tax Registration)
- Federal Employer Identification Number
- Period covered

Please draw a line through any incorrect information, enter corrections and check box on your return. If it is necessary to use blank returns, be sure to indicate the information listed above or other identifying information (social security number).

FILING REQUIREMENTS

If you have a retail license or use tax registration, you are required to file a tax return even if there is no tax due for the period. See **Business Tax Telefile instructions for filing zero returns.**

Note: To file quarterly, annual, or seasonal contact SC DOR for approval.

FORMS TO FILE

Form ST-3 You are required to file a Form ST-3 to report any sales and use tax due in this state.

Form ST-389 The Form ST-389 is used to designate the appropriate portion of local tax to a county or municipality based upon sales or deliveries within the county or municipality. **You are required to file a Form ST-389 with a Form ST-3 if:**

- your business is located in a county that imposes a local tax or
- your business delivers to a county with local tax, regardless of whether your business is or is not located in a county that imposes a local tax.

The **ST-389** is used for reporting the following types of 1% local tax:

- Capital Project Tax
- School District Tax
- Transportation Tax
- Local Option Tax
- Property Offset Tax

WHEN TO FILE

Sales and use tax returns are due on or before the twentieth (20th) day of the month following the close of the period covered. You must file a tax return for every tax reporting period, even if no tax is due for the period. To file your zero gross sales return by phone, call 1-803-898-5918. This will keep your account current and prevent your receiving delinquent notices. For Example:

Monthly Filers:

- January reporting period - submit return no later than February 20.
- February reporting period - submit return no later than March 20.
- March reporting period submit return no later than April 20, etc.
- December reporting period - submit no later than January 20 (of the next year).

Quarterly Filers:

- First Quarter (January, February, March) reporting period - submit no later than April 20
- Second Quarter (April, May, June) reporting period - submit no later than July 20
- Third Quarter (July, August, September) reporting period - submit no later than October 20
- Fourth Quarter (October, November, and December) reporting period - submit no later than January 20 (of the next year)

Annual Filers: (Sales for the entire year)

Submit the December return no later than January 20 (of the next year).

Seasonal Filers: Seasonal filers are required to file returns only for those months scheduled to be reported. Submit seasonal returns no later than the 20th of the next month.

If the return is not filed and/or any taxes due are not paid by the twentieth day of the month due, no taxpayer discount will be allowed, and the return is considered delinquent; applicable

penalties and interest must be calculated and paid, or an assessment will be issued.

LOCAL SALES TAX: The local taxes are due if the sale was made or products were delivered into a local tax county. The local taxes authorized to be collected by counties include:

- Capital Projects
- School District
- Transportation
- Local Option
- Property Offset

The local sales or use tax is applicable if the county has approved the tax by referendum. The county/jurisdiction codes applicable to these taxes are indicated on the Form ST-389. If the location of your business is within a listed municipality, you **must** use the municipality code for your location.

LOCAL TAX FILING NOTICE: If your business is located in a county that is imposing a local tax in addition to the 5% Sales and Use Tax, Form ST-389 must be filed with Form ST-3 even if the local tax due is zero. The zero **must be placed** beside the appropriate county/jurisdiction code on Form ST-389.

If you are collecting and reporting another county's local taxes, Form ST-389 is required to be filed to designate the appropriate amount of local tax to a county or jurisdiction. Instructions for completing Form ST-389 are located in this booklet. For more detailed information, request SC Revenue Ruling #91-17 or visit our website at www.sctax.org

EXEMPTIONS FROM LOCAL TAXES

The following transactions are exempt from local taxes:

- Sales covered by the maximum tax limitation: aircraft, motor vehicles, motorcycles, boats, recreational vehicles, or self-propelled light construction equipment,
- Mobile homes (does not apply to contents)
- Sales of musical instruments and office equipment sold to religious organizations,
- Construction contracts (Must have prior Department approval.)
- Sales of certain food which may be lawfully purchased with USDA food stamps are exempt from the School District Tax. This exemption applies to everyone, not just persons using food stamps.

CHANGE IN OWNERSHIP

Any change in ownership will require a new owner to complete a Business Tax Application, Form SCTC-111 and remit the appropriate fee.

CHANGE OF LOCATION

Any change of location will require written notification to be sent to the Department of Revenue by submitting Form SC8822 (included in this booklet) or visit our website: sctax.org > DORBOS.

CLOSING YOUR BUSINESS

When closing or selling your business you are required by South Carolina law to **return your Sales and Use Tax license** to the South Carolina Department of Revenue indicating the date of closing. You must file all returns and pay all taxes due. Complete enclosed Form C-278 when closing your business. If you sell your business, the new owner will not be issued a new license until taxes due for that location have been paid.

NO CREDITS: CLAIM A REFUND

For overpayments of tax previously paid to the Department, a taxpayer must file a claim in writing with the Department for a refund. The taxpayer may submit a claim in the form of a letter or a completed Form ST-14. Credits are not allowed to be taken on the sales and use tax return. A request for refund must specify:

- the name, address, and telephone number of the taxpayer or contact person;
- the appropriate taxpayer identification number or numbers;
- the tax period or date for which the tax was paid;
- the nature and kind of tax paid;
- the amount which the taxpayer claims was erroneously paid;
- a statement of facts and documentation supporting the taxpayer's position;
- a statement outlining the reasons for the claim, including any law or other authority upon which the taxpayer relies; and
- any other relevant information that the department may reasonably require.

If the refund request is timely and in order, a refund will be issued.

identify some of the items to be shown as a deduction. Any amount claimed as a deduction on your return must be itemized in Column A and B of this worksheet. You are required to maintain records that will support all deductions claimed on this return. **A further explanation of deductions is available by obtaining a copy of the South Carolina Sales and Use Tax Code of Laws by contacting the Department's Central Office, the Taxpayer Service Centers or visit our website: www.sctax.org**

Examples of Allowable Deductions: (Not all inclusive)

- Sales for resale
- Out-of-state sales
- Exempt sales to:
 - Manufacturers
 - Agriculture
 - Sales to Federal government
 - Medicine and prosthetic devices (by prescription)
- Gasoline sales
- Installation charges (separately stated on invoice)
- Trade-ins

- Excess over tax cap
- Mobile Home (Less 35%)
- Credit for taxes paid to other states
- Food purchased with food stamps
- Sales Tax Holiday exempt sales
- 1% tax reduction for purchases made by individuals age 85 and older for their own use
- NOTE:** This 1% tax reduction does not apply to local tax calculation.

Line 5: Total Amount of Deductions (Total Column B. Enter here and line 2 on front of return)

Line 6: Net Sales and Purchases (Line 3 minus line 5)

STEP 2 ST-3 - Calculation of 5% Sales and Use Tax

SAMPLE SALES AND USE TAX INSTRUCTIONS

SALES AND USE TAX

<p>1. Gross Proceeds of Sales, Rentals, Use Tax and Withdrawals for Own Use (From line 3 of Sales and Use Tax Worksheet on reverse side)</p>	▶	1	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>				7	7	0	0	0	.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	0	0	
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<p>2. Total Amount of Deductions (From line 5 of Sales and Use Tax Worksheet)</p>	▶	2	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">4</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>				4	0	0	0	0	.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	0	0	
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<p>3. Net Taxable Sales (Line 1 minus line 2)</p>	▶	3	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>				3	7	0	0	0	.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	0	0	
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<p>4. Tax (Line 3 x 5% (.05))</p>	▶	4	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">5</td><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px;"></td></tr> </table>				1	8	5	0		.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	0	0	
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<p>5. Taxpayer's Discount (For timely filed returns only) If your combined tax liability is less than \$100.00, the discount rate is 3% (.03) of line 4. If the total is \$100.00 or more, the discount is 2% (.02) of line 4. (Combined Discount cannot exceed \$3000.00 per fiscal year, returns for June through May, which are filed July through June.)</p>	▶	5	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px; text-align: center;">7</td><td style="width: 20px; height: 20px;"></td></tr> </table>						3	7		.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	0	0	
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<p>6. Sales and Use Tax Net Amount Payable (Line 4 minus line 5)</p>	▶	6	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px;"></td></tr> </table>				1	8	1	3		.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	0	0	14-3701 14-3702
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<p>7. Penalty _____, Interest _____ (Add Sales and Use Tax penalty and interest. Enter total on line 7 at right.)</p>	▶	7	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table>									.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td></tr> </table>			
<p>OFFICE USE ONLY: _____</p> <p>8. Total Sales and Use Tax Due (Add lines 6 and 7)</p>	▶	8	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px;"></td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">8</td><td style="width: 20px; height: 20px; text-align: center;">1</td><td style="width: 20px; height: 20px; text-align: center;">3</td><td style="width: 20px; height: 20px;"></td></tr> </table>				1	8	1	3		.	<table border="1" style="border-collapse: collapse; width: 100%;"> <tr><td style="width: 20px; height: 20px; text-align: center;">0</td><td style="width: 20px; height: 20px; text-align: center;">0</td></tr> </table>	0	0	
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IMPORTANT: If it is determined that no entry is needed on a line, **PLEASE LEAVE LINES BLANK.** Do not write on the lines that do not pertain to you.

Line 1 Gross Proceeds of Sales: Enter the gross proceeds of sales, rentals, use tax and withdrawals for own use. Enter the total from line 3 of your worksheet. Do **not** include sales tax collected in this amount.

Line 2 Total Amount of Deductions: Enter the total amount of deductions from line 5 of your worksheet.

Line 3 Net Taxable Sales: Subtract line 2 from line 1.

Line 4 Tax (Multiply line 3 x 5% (.05).)

Line 5 Taxpayer's Discount: A taxpayer's discount may be claimed when the return is filed and the tax due is paid in full on or before the due date of the return. **No discount** is allowed if the return **or** payment is received after the due date. The discount is computed as follows:

If your combined tax liability (line 4, ST-3 and line 2, Column B last page of ST-389) is less than \$100, the discount rate is 3% (.03) of line 4. If the total is \$100 or more, the discount rate is 2% (.02) of line 4. Deduct this amount from line 4.

Note: Discounts are not allowed to exceed \$3,000 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000 maximum includes the total discounts for sales/use and local taxes. Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount. The discount amount is \$10,000 for

out-of-state retailers who cannot be required to register for sales and use tax but who voluntarily register to collect and remit the tax. However you must receive prior approval from the Department of Revenue for the \$10,000 discount.

Line 6 Sales and Use Tax Net Amount Payable: Line 4 minus 5.

Line 7 Penalty and Interest: Enter the total of Penalty and Interest, from calculations below or visit our website: www.sctax.org

PENALTY FOR FAILURE TO FILE A RETURN: Five percent (.05) of the amount of tax due (from line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed twenty-five percent (.25) of the amount of tax due.

PENALTY FOR FAILURE TO PAY TAX DUE: The penalty is one-half of one percent (.005) of the amount of tax due (the total of line 4 on the front of the return) for each month or fraction of a month of delinquency, not to exceed a total of twenty-five percent (.25) of the amount of tax due. The penalty for failure to file and pay must be combined and entered as a total on line 7.

INTEREST: Interest is assessed in accordance with 6621 and 6622 of the Internal Revenue Code. Rates are based on the prime rate, subject to change quarterly and are compounded daily.


Line 8 Total Sales and Use Tax: Enter the total of lines 6 and 7.

STEP 3 ST-389 - COMPLETING THE LOCAL TAX WORKSHEET

WOULD LOCAL TAX APPLY?

Only complete this section if one of the following applies:

- Your business is located in a county that imposes a local tax, even if the local tax due is zero.
- Your business delivers to county with local tax, regardless of whether your business is or is not located in a county that imposes a local tax.

 If this does not apply, go to **STEP 6**.

SAMPLE LOCAL TAX WORKSHEET (from the back of form ST-389)

Local Taxes

1. **Net Sales and Purchases** (From line 6 of Sales and Use Tax Worksheet.) 1. 37,000.00

2. **Local Tax Allowable Deductions**

Column A Type of Deduction	Column B Amount of Deduction
Deliveries to counties without Local Tax	\$ <u>17,100.00</u>
_____	\$ _____
_____	\$ _____

SAMPLE

Total Allowable Deductions (Total Column B) 2. 17,100.00

3. **Total Net Taxable Local Sales** (Line 1 minus line 2.) 3. 19,900.00
Should agree with ST-389, Page 2, line 1, column A.

Note: When your sales, purchases and withdrawals are made or delivered into a locality with more than one local tax, the total on form ST-389 will not agree with line 3.

LOCAL TAX WORKSHEET INSTRUCTIONS

Complete this section of the return if you sold, purchased or delivered property for use in a county with a local tax.

This worksheet is to assist you in determining the proper amount required to be allocated on Form ST-389.

Line 1 Net Sales and Purchases:

Enter amount from line 6 of sales and use tax worksheet.

Line 2 Local Tax Allowable Deductions:

Certain transactions are taxable for the state's 5% Sales and Use Tax, but are exempt from SC local sales and use tax. Some examples are:

- Deliveries to counties without local tax
- Quarterly and annual filers remitting tax on the first reporting period after the implementation date may use the worksheet to calculate the amounts not subject to the local tax
- Taxable portion of all sales which fall under the \$300 maximum tax. (i.e. automobiles, mobile homes, etc.)

This is not a complete listing of Local Tax exemptions. You may contact the South Carolina Department of Revenue at (803) 898-5788 for additional information, if you have questions regarding these exemptions.

Enter the total allowable deductions from Column B on line 2.

Line 3 Total Net Taxable Local Sales: (Subtract line 2 from line 1)

Total should agree with Column A, line 1, last page of ST-389.

Note: If your sales, purchases and withdrawals are used or delivered in a county with more than one local tax, the taxable amount on line 2, last page of ST-389 may not agree with net taxable local sales.

STEP 4 ST -389 - CALCULATING LOCAL TAX

1. CAPITAL PROJECT TAX		34-2726	(A)	(B)	(C)	(D)
For Office Use Only	Name of County or Jurisdiction	Code	Net Taxable Amount	Local Tax	Discount	Net Amount After Discount
_____	<u>AIKEN</u>	<u>1002</u>	_____ x 1% =	_____	- _____	= _____
_____	<u>ALLENDALE</u>	<u>1003</u>	_____ x 1% =	_____	- _____	= _____
_____	<u>NEWBERRY</u>	<u>1036</u>	<u>3,500.00</u> x 1% =	<u>35.00</u>	- <u>.70</u>	= <u>34.30</u>
_____	<u>ORANGEBURG</u>	<u>1038</u>	<u>12,000.00</u> x 1% =	<u>120.00</u>	- <u>2.40</u>	= <u>117.60</u>
_____	<u>YORK</u>	<u>1046</u>	_____ x 1% =	_____	- _____	= _____

INSTRUCTIONS FOR COMPLETING FORM ST-389, page 1

The Form ST-389 is a two part form. Capital Project and School District Taxes are to be reported on **page one only**. The names and codes for these taxes are preprinted on page 1 of the ST-389. Transportation, Property Offset and Local Option taxes are to be reported on **page 2 only**. If additional Local Option space is needed use ST-389-A located in the back of your booklet. ONLY ONE ENTRY PER LINE IS ALLOWED.

If you do not have a preprinted form, please enter the business name and address, retail license or registration number and the period ended as shown on Form ST-3, ST-388 or ST-403 to which this schedule must be attached.

Use instructions below to complete Columns A, B, C, and D for Capital Project and School District Taxes.

Column A Net Taxable Sales or Purchase: Enter net taxable sales or purchases made for each county or jurisdiction. Credits are not allowed to be taken on this form. (See credits section located in this booklet under Essential Information.)

Column B Local Tax: Multiply Column A by 1% (.01) and enter results in Column B for each county or jurisdiction.

Column C Discount: A taxpayer's discount may be claimed when the return is filed and the tax due is paid in full on or before the due date of the return. **No discount** is allowed if the return or payment is received after the due date. The discount is computed as follows:

Use same discount rate as used for line 5, form ST-3, (Column B x Discount Rate).

Note: Discounts are not allowed to exceed \$3,000 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000 maximum includes the total discounts for sales /use and local tax. Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount. The discount amount is \$10,000 for out-of-state retailers who cannot be required to register for sales and use tax but who voluntarily register to collect and remit the tax. However you must receive prior approval from the Department of Revenue for the \$10,000 discount.

Column D Net Amount After Discount: (Column B minus Column C) Enter total in Column D.

4. LOCAL OPTION TAX 34-2721			(A)	(B)	(C)	(D)
For Office Use Only	Name of County or Jurisdiction	Code (See back of form)	Net Taxable Amount	Local Tax	Discount	Net Amount After Discount
NOTE: Sales at your location, if you are in a local option jurisdiction						
	FLORENCE	1021	300.00 x 1% =	3.00	.06	2.94
NOTE: Sales delivered to other local option jurisdiction/city/municipality.						
	BATESBURG	2057	3,200.00 x 1% =	32.00	.64	31.36
	SUMTER	2880	900.00 x 1% =	9.00	.18	8.82
1. Total Column A from pages 1, 2 and all ST389-A's. 1			▶	19,900.00		
2. Total Column B from pages 1, 2 and all ST389-A's. 2				199.00		
3. Total Column D from pages 1, 2 and all ST389-A's. 3						▶ 195.02
4. Penalty _____ Interest _____ OFFICE USE ONLY: _____ 4						▶ _____
(Add Local Tax Penalty and Interest)						
5. Total (Add lines 3 and 4) Enter amount on line 9, ST-3 or line 17, ST-388 or ST-403. 5						▶ 195.02

INSTRUCTIONS FOR COMPLETING FORM ST-389, Page 2

Transportation, Property Offset and Local Option Taxes are reported on page 2.

Local Option taxes are to be reported on **page two only of the ST389 and ST-389-A, if applicable.**

Name of County or Jurisdiction: This column is used to identify a particular county or municipality where delivery takes place. A list of counties which impose the 1% local option sales and use tax is located on the back of Form ST-389. Enter the name of the county or municipality based upon sales or deliveries within a particular county or municipality. If your business is located in a municipality, you **must** use the municipality code of your business location.

Code: Enter the code for the named county or municipality based upon codes identified on the back of the Form ST-389. Use instructions below to complete Columns A, B, C, and D for Local Option Tax.

Column A Net Taxable Amount: Enter net taxable sales or purchases made for each county or municipality. Credits are not allowed to be taken on this form. (See credits section located in this booklet under Essential Information.)

Column B Local Tax: Multiply Column A by 1% (.01) and enter results in Column B for each county or municipality.

Column C Discount: A taxpayer's discount may be claimed when the return is filed and the tax due is paid in full on or before the due date of the return. **No discount** is allowed if the return or payment is received after the due date. The discount is computed as follows:

Use the same discount rate as used on line 5 of form ST-3. (Column B times Discount Rate)

Note: Discounts are not allowed to exceed \$3,000 per taxpayer (for all locations) during any one South Carolina fiscal year, which covers payments made from July 1 through June 30. This includes all returns which become due during this period (returns for June through May). The \$3,000 maximum includes the total discounts for sales /use and local tax. Taxpayers who file and pay electronically are allowed a \$3,100 maximum discount. The discount amount is \$10,000 for out-of-state retailers who cannot be required to register for sales and use tax but who voluntarily register to collect and remit the tax. However you must receive prior approval from the Department of Revenue for the \$10,000 discount.

Column D Net Amount After Discount: (Column B minus Column C) Enter net discount amount in Column D.

Line 1: Enter total of all net taxable sales listed in Column A of the ST-389 and ST-389-A if applicable, on line 1 on bottom of page 2. Be sure to include total of all entries from all pages. For additional entries, reproductions of page 2 are permissible or you may reproduce ST-389-A located in the back of the booklet.

Line 2: Add all local taxes due and enter total of Column B, on line 2 of last page.

Line 3: Add all net amounts in Column D.

Line 4: Enter the total of Penalty and Interest, from calculations below or visit our website: www.sctax.org

PENALTY FOR FAILURE TO FILE A RETURN: Five percent (.05) of the amount of local tax due (on line 3) for each month or fraction of a month of delinquency, not to exceed twenty-five percent (.25) of the amount of tax due.

PENALTY FOR FAILURE TO PAY TAX DUE: The penalty is one-half of one percent (.005) of the amount of local tax due (on line 3) for each month or fraction of a month of delinquency, not to exceed a total of twenty-five percent (.25) of the amount of tax due.

The penalty for failure to file and pay must be combined and entered as a total on line 4.

INTEREST: Interest is assessed in accordance with 6621 and 6622 of the Internal Revenue Code. Rates are based on the prime rate, subject to change quarterly and are compounded daily.

Line 5: Add lines 3 and 4. Enter the total of Column D from line 5 on ST-3 line 9.

Make a copy of the completed Form ST-389 for your records.

Reminder: All pages of Form ST-389 must be attached to appropriate state form.

STEP 5 ST-3 - ENTERING LOCAL TAX

LOCAL TAX

REMINDER: ST-389 must be completed and attached for all local taxes.

If this section does not apply, go to line 10.

9. Total Local Taxes Due (From Column D, line 5, last page of form ST-389) 9

						1	9	5	.	0	2
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STEP 6 ST-3 - DETERMINE TOTAL AMOUNT DUE

10. TOTAL AMOUNT DUE (Add lines 8 and 9) 10

						2	0	0	8	.	0	2
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STEP 7 ST-3 - SIGNATURE

Sign and date your return on the ST-3.

DON'T FORGET — Returns are past due after the 20th of the month.

If you are not using preprinted forms and it is necessary to use blank forms, be sure to include your social security number or Federal Employer Identification number in the label section.

Social Security Privacy Act Disclosure

It is mandatory that you provide your social security number on this tax form. 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.