

# ESSENTIAL INFORMATION FOR FORM ST-388 (Rev. 9/22/00)

Please read carefully.

## INTRODUCTION

The South Carolina Department of Revenue is requiring taxpayers to report their taxes on Form ST-388 and Form ST-389, if applicable. However, Form ST-3T may also be required to be filed along with Form ST-388.

Form ST-388 is preprinted with your firm's name, address, retail license or use tax registration number, and Federal Employer Identification (FEI). Please draw a line through any incorrect information and enter corrections on your return.

If it is necessary to use blank returns, be sure to indicate the following:

- Business Name
- Address
- Retail License Number or Use Tax Registration Number
- Social Security Number or Federal Employer Identification Number
- Period covered

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

## FILING REQUIREMENTS

If you have a retail license you are required to file a tax return even if there is no tax due for the period. When filing "No Sales" returns, please enter zeroes on lines 1, 3, 9 and 11 only on the ST-388 Form.

### FORMS TO FILE

#### Form ST-388 (Sales, Use, Accommodations Tax Return)

This form should be used for reporting the following taxes:

- Sales and Use Tax
- Accommodation Tax
- Food Tax
- Local Taxes

You will be required to file a Form ST-389 if you are reporting local taxes.

#### Form ST-3T

This form should be used for reporting accommodations tax by counties or municipalities when taxpayer owns or manages rental units in several counties or municipalities. If you only have rental units in the county/municipality where your business is located you are not required to file this form.

**Form ST-389** The Form ST-389 is a schedule 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-388 if:

- your business is located in a county that imposes a local tax or
- you remit another county's or municipality's 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

## WHEN TO FILE

You must file a tax return for every tax reporting period, even if there is no tax due for the period. This will keep your account current and prevent your receiving delinquent notices. **Accommodation returns are due on or before the twentieth (20th) day of the month following the close of the period covered.**

**FOR EXAMPLE:** Monthly filers must submit the return for the January reporting period, using the January Form ST-388, no later than February 20; the February return no later than March 20; and so on throughout the year. The last monthly return, which is for December, must be filed by January 20 of the next year. Quarterly filers must submit the return for the first quarter, using the first quarter Form ST-388, by April 20 since March is the last month of the reporting period. The other quarterly returns must be filed in order, no later than July 20, October 20 and January 20 of the next year. Annual filers submit the December return by January 20 of the next year.

**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, or an assessment will be issued.**

**SEASONAL FILERS:** If your business has been set up to file returns on a seasonal basis, you are required to file **only** those months you are scheduled to report. However, you must receive prior SC Department of Revenue approval to file seasonally.

**LOCAL SALES TAX:** The local taxes, Capital Project, School District, Transportation and Local Option Tax, authorized to be collected by counties are indicated on the Form ST-389 with all county and municipality codes that are applicable to the tax. In some counties the Local Option Tax may be imposed in addition to another local tax from the taxes previously shown. The 1% local sales or use tax is applicable if the county has approved the tax by referendum. The tax is due on the sales/accommodation associated with each sales/rental.

## EXEMPTIONS FROM LOCAL TAXES

The following transactions are exempt from local taxes:

- Sales covered by the maximum tax limitation: aircraft, motor vehicles, motorcycles, boats, trailers, semi-trailers, 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, and
- Construction contracts (Must have received prior Department approval.)
- Sales of certain food which may be lawfully purchased with USDA food stamps are exempt from the 1% School District Tax. This exemption applies to everyone, not just persons using food stamps.

**LOCAL TAX FILING NOTICE:** If your business is located in a county that is imposing a 1% local tax (i.e., Capital Project, School District, Transportation and Local Option Tax) in addition to the 5% Sales and Use Tax, Form ST-389 must be filed with Form ST-388 even if the local tax due is zero. The zero **must** be placed beside the appropriate county/municipality code on Form ST-389.

If your business is 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 municipality. For more detailed information, request SC Revenue Ruling #91-17.

Instructions for completing Form ST-389 are located in this booklet.

## CHANGE IN OWNERSHIP

Any change in ownership will require a new application for retail license. The new ownership will be required 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 be sent to the Department of Revenue by submitting Form SC8822 which is included in this booklet.

## 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 until the state has been paid all taxes due. Complete enclosed Form C-278 when closing your business.

## 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 requested is timely and in order, it will be issued.

# STEP-BY-STEP INSTRUCTIONS



**Please read this section before completing your form.**

If you have a retail license you are **required to file** a tax return **even if** there is **NO TAX DUE** for the period.

WHEN FILING "NO SALES" RETURNS, please enter zeroes on lines 1, 3, 9 and 11 only on the ST-388.

**COMPLETE THE SALES AND USE TAX WORKSHEET ON THE BACK OF THE ST-388 BEFORE MAKING ENTRIES ON LINES 1 THROUGH 19.**

**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.

All entries must be typed or hand printed. If using a non-preprinted form, refer to the introduction section under Essential Information for form ST-388 for instructions.

The sales tax (5%), the accommodation tax (2%), the food tax (4%), and local taxes (1%) must be separately reported on the appropriate tax forms.

## STEP 1    **COMPLETING THE SALES AND USE TAX WORKSHEET**

### **SAMPLE SALES AND USE TAX WORKSHEET (from the back of ST-388)**

#### **Sales and Use Tax**

**1. Gross Proceeds of Sales, Accommodations, Rentals and Withdrawals for Own Use (Include Food Sales)**    1. \_\_\_\_\_

**2. Out-of-State Purchases Subject to Use Tax**    2. \_\_\_\_\_

**3. Total** (Add lines 1 and 2. Enter here and on line 1 on front of return.)    3. \_\_\_\_\_

**4. Allowable Deductions** (Itemize by Type of Deduction and Amount of Deduction)

**Column A**  
**Type of Deduction**

**Column B**  
**Amount of Deduction**

\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_  
\$ \_\_\_\_\_

**Total Amount of Deductions (Total Column B)**

**SAMPLE**

**5. Net Sales and Purchases** (Line 3 minus line 4)

If local tax is applicable, enter this amount on line 1 of the Local Tax Worksheet.

5. \_\_\_\_\_

**6. Food Sales (Taxed at 4%)** (Enter this amount here and on line 1 on front of Food Tax Schedule.)

6. < \_\_\_\_\_ >



Please see New Information on front inside cover.

**7. Total Deductions** (Add lines 4 and 6. Enter total here and on line 2 on front of return.)

7. < \_\_\_\_\_ >

### **SALES AND USE TAX WORKSHEET INSTRUCTIONS LINES 1 through 7**

#### **Line 1: Gross Proceeds of Sales/Rentals, Withdrawals for Own Use, (include Food Sales)**

Enter the total amount of all sales (taxable and nontaxable), leases and/or rentals made by the business for the reporting period. Nontaxable sales are to be deducted on line 4. DO NOT INCLUDE THE AMOUNT OF SALES TAX COLLECTED. **Be sure to include your accommodations proceeds.**

You must also report purchases of tangible personal property (merchandise, equipment, etc.) purchased tax free at wholesale, but used by you and/or your employees. When purchasing merchandise out-of-state, there may be circumstances when additional tax is due. To determine if you owe additional tax, contact the South Carolina Department of Revenue.

#### **Line 2: Out-of-State Purchases Subject to Use Tax**

Enter the total purchases of tangible personal property purchased from an out-of-state retailer who did not collect South Carolina use tax. If the tax rate in your county is greater than the tax rate paid out-of-state, then the difference should be reported on this line.

#### **Line 3: Total**

Add lines 1 and 2. Enter total here and on Line 1 on the front of ST-388.

**Line 4: Sales and Use Allowable Deductions**

To claim a deduction relating to a sale, the sales transaction must be reported on line 1 or 2 of this worksheet. Enter the type of deduction (see list below) in Column A and the dollar amount of the sale in Column B. South Carolina law provides for a deduction from gross proceeds of sales those items specifically exempt from tax. The list below is used to 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](http://www.sctax.org)**

**Types of Allowable Deductions:** (Not all inclusive)

- Sales to the Federal Government
- 1% tax reduction for purchases made by individuals age 85 and older for their own use

**Total Amount of Deductions:** Enter total of Column B here.

**Line 5: Net Sales and Purchases** (Line 3 minus Line 4)

If local tax is applicable, enter this amount on line 1 of the local tax worksheet.

**Line 6: Food Sales Taxed at 4%.** Enter this amount here and on line 1 of ST-407 (Food Tax Schedule). The law provides for a reduction in the 5% sales tax rate on certain foods.

**Line 7: Total Deductions** (Add lines 4 and 6. Enter total here and on line 2 on front of ST-388.)

STEP 2	<b>CALCULATION OF 5% SALES AND USE TAX</b>	
<b>SAMPLE SALES AND USE TAX INSTRUCTIONS</b>		
<b>SALES AND USE TAX</b>		
1. Gross Proceeds of Sales, Rental, Use Tax and Withdrawals for Own Use (Include Food Sales) (From line 3 of Sales and Use Tax Worksheet on reverse side)	▶ 1	[ ] . [ ]
2. Total Amount of Deductions (From line 7 of Worksheet)	▶ 2	[ ] . [ ]
3. Net Taxable Sales (Line 1 minus line 2)	▶ 3	[ ] . [ ]
4. Line 3 x 5% (.05)	▶ 4	[ ] . [ ]
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. <b>(Combined Discount cannot exceed \$3000.00 per fiscal year, returns for June through May, which are filed July through June.)</b>	▶ 5	[ ] . [ ]
6. Sales and Use Tax Net Amount Payable (Line 4 minus line 5)	▶ 6	[ ] . [ ]
7. Penalty _____, Interest _____ (Add Sales and Use Tax penalty and interest. Enter total on line 7 at right.)	▶ 7	[ ] . [ ]
8. Total Sales and Use Tax Due (Add lines 6 and 7)	▶ 8	[ ] . [ ]
5%		
<b>SAMPLE</b>		14-3701 14-3702

**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, accommodation proceeds, leases and/or rentals, of tangible personal property withdrawals, purchases subject to use tax and certain food taxed at 4 %. 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 7 of your worksheet (reverse side of your return).

**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-388, line 12, ST-388, line 2, ST-407, and line 2, Column B last page of ST-389) is less than \$100.00, the discount rate is 3% (.03) of line 4. If the total is \$100.00 or more, the discount rate is 2% (.02) of line 4. Deduct this amount from line 4.

**Note:** Discounts are not allowed to exceed \$3,000.00 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 \$3,000.00 maximum includes the total discounts for sales/use, accommodation tax, food taxed at 4% and local taxes.

**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:

**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

## COMPLETING THE ACCOMMODATIONS TAX WORKSHEET

**8. Gross Proceeds of Sales from the Rental of Transient Accommodations**

(Enter here and on line 9 on front of return)

8. \_\_\_\_\_

**9. Allowable Deductions:** (Itemize by Type of Deduction and Amount of Deduction)

Column A Type of Deduction	Column B Amount of Deduction
_____	\$ _____
_____	\$ _____
_____	\$ _____

**10. Total Amount of Deductions (Total Column B)**

(Enter here and on line 9 on front of return)

**SAMPLE**  

**Line 8 GROSS PROCEEDS OF SALES:** Enter gross proceeds of sales from the rental of transient accommodations. Enter here and on line 9 on the front of the return.

**Line 9 ALLOWABLE DEDUCTIONS:** Enter the type of transaction and the corresponding amount for the deduction.

Examples of deductions for Accommodations Tax are listed below:

- Golf packages
- Meeting rooms
- Some special promotion packages

**Note:** Remember that even though the transactions above are not subject to accommodations tax, they **ARE** subject to Sales Tax and Local Sales Taxes.

- Transient accommodations furnished to the same person for a period of ninety (90) or more consecutive days.
- Accommodations billed directly to the Federal Government.

**Line 10 TOTAL DEDUCTIONS:** Enter total here and on line 10 on front of return.

### STEP 4

## Calculation of 2% Accommodations Tax

**Line 9 Gross Proceeds of Sales from the Rental of Transient Accommodations:** Enter the amount from line 8 of your worksheet (from the reverse side of your return).

**Note:** Remember to include Accommodations Proceeds in Line 1 Sales and Use Tax Section.

**Line 10 Total Amount of Deductions:** Enter the total of line 10 from your worksheet.

**Line 11 Net Taxable Sales:** Line 9 minus line 10.

**Line 12 Tax Due:** Multiply line 11 X 2% (.02).

**Line 13 Taxpayer's Discount:** Use the same discount rate from line 5.

**Line 14 Accommodations Net Amount Payable:** Line 12 minus line 13.

**Line 15 Total Penalty and Interest:** Enter the total amount of penalty and interest. See instructions for line 7.

**Line 16 Total Accommodations Tax Due:** Add lines 14 and 15.

## STEP 5

## COMPLETING THE FOOD TAX SCHEDULE

If you do not have sales of these certain food items (items eligible for purchase with US Department of Agriculture Food Coupons), go to **STEP 7**.

### FOOD TAX

1. Net Taxable Food Sales at 4% (Enter from Line 6 of Sales and Use Tax Worksheet)
2. Lines 1 x 4% (.04)
3. Taxpayer's Discount (Line 2 x Discount Rate) (For timely filed returns only). Use the same discount rate as applied on line 5 of ST-388 or ST-403. **Combined Discount cannot exceed \$3000.00 per fiscal year, returns for June through May, which are filed July through June.**
4. Food Net Amount Payable (Line 2 minus line 3)
5. Penalty \_\_\_\_\_, Interest \_\_\_\_\_  
(Add Food Tax penalty and interest. Enter total on line 5 at right.)
6. Total Food Tax Due (Add lines 4 and 5) Enter on line 17 of form ST-388 or ST-403.

► 1	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/>
2	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/>
3	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/>
4	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/> 14-3714
5	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/>
6	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> . <input type="text"/>

*4%* **SAMPLE**

**Line 1 Net Taxable Food Sales at 4%:** (Enter from line 6 of Sales and Use Worksheet)

**Line 2 Tax:** Line 1 x 4% (.04)

**Line 3 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:

Use same discount rate as applied in line 5 of ST-388 (Discount Rate x Line 2).

**Note:** Discounts are not allowed to exceed \$3,000.00 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 \$3,000.00 maximum includes the total discounts for sales /use accommodation tax, food tax at 4% and local tax.

**Line 4 Food Tax Net Amount Payable:** Line 2 minus 3.

**Line 5 Penalty and Interest:** Enter the total amount of Penalty and Interest, from calculations below:

**PENALTY FOR FAILURE TO FILE A RETURN:** Five percent (.05) of the amount of tax due (from line 2 on the Food Tax Schedule) 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 2 on the Food Tax Schedule) 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 5.

**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 6 Total Food Tax Due:** Add lines 4 and 5. Enter total on line 17 of Form ST-388.

**STEP 6**

**ENTERING FOOD TAX ON FORM ST-388**



If this section does not apply, go to line 18.

17. Total Food Tax Due (From Line 6, front of Form ST-407)

4%

17.

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**SAMPLE**

**STEP 7**

**COMPLETING THE LOCAL TAX WORKSHEET**

**WOULD LOCAL TAX APPLY?**

You are required to complete this section if:

- Your business is located in a county that imposes a local tax, even if the local tax due is zero.
- Your business is located in a county that **does not** impose a local tax, but you collect and report another county's local tax.

If this does not apply go to **STEP 10**.

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

**Local Taxes**

1. **Net Sales and Purchases** (From line 5 of Sales and Use Tax Worksheet.)

1. \_\_\_\_\_

2. **Local Tax Allowable Deductions**

Column A Type of Deduction	Column B Amount of Deduction
-------------------------------	---------------------------------

Deliveries to counties without Local Tax

_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Allowable Deductions (Total Column B)

3. **Total Net Taxable Local Sales** (Line 1 minus line 2.)

2. **SAMPLE** \_\_\_\_\_

3. \_\_\_\_\_

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 5 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 \$300.00 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 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.

<b>CALCULATING LOCAL TAX</b>						
<b>STEP 8</b>		34-2726	(A)	(B)	(C)	(D)
For Office Use Only	Name of County	Code	Net Taxable Sales or Purchases	Local Tax	Discount	Net Amount After Discount
	JASPER	1027	_____ x 1% = _____ - _____ = _____			
	NEWBERRY	1036	_____ x 1% = _____ - _____ = _____			
	ORANGEBURG	1038	_____ x 1% = _____ - _____ = _____			
	YORK	1046	_____ x 1% = <b>SAMPLE</b>			

**INSTRUCTIONS FOR COMPLETING FORM ST-389, page 1**

The Form ST-389 is a two part form. Capital Project, School District, and Transportation 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. Local Option taxes are to be reported on **page 2 only**.

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, School District and Transportation Taxes.

**Column A Net Taxable Sales or Purchase:** 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 same discount rate as used for line 5, Form ST-388. ( Column B x Discount Rate).

**Note:** Discounts are not allowed to exceed \$3,000.00 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 \$3,000.00 maximum includes the total discounts for sales/use, accommodations tax, food taxed at 4% and local taxes.

**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 Municipality	Code (See back of form)	Net Taxable Sales or Purchases	Local Tax	Discount	Net Amount After Discount
	<u>FLORENCE</u>	<u>1021</u>	<u>                  </u> x 1% = <u>                  </u> - <u>                  </u> = <u>                  </u>			
	<u>BATESBURG</u>	<u>2057</u>	<u>                  </u> x 1% = <u>                  </u> - <u>                  </u> = <u>                  </u>			
	<u>SUMTER</u>	<u>2880</u>	<u>                  </u> x 1% = <u>                  </u> - <u>                  </u> = <u>                  </u>			
1. Total Column A from pages 1 and 2. ....	1		<b>      </b>			
2. Total Column B from pages 1 and 2. ....	2		<b>      </b>			
3. Total Column D from pages 1 and 2. ....	3		<b>      </b>			
4. Penalty _____ Interest _____ (Add Local Tax Penalty and Interest) ..	4		<b>      </b>			
5. Total (Add lines 3 and 4) Enter amount on line 15, ST-3 or line 18, ST-388 or ST-403. ....	5		<b>      </b>			

**SAMPLE**

#### INSTRUCTIONS FOR COMPLETING FORM ST-389, Page 2

Local Option taxes are to be reported on **page two only**.

**Name of County or Municipality:** 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.

**County or Municipality 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 Sales or Purchase:** 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-388. (Column B X Discount Rate)

**Note:** Discounts are not allowed to exceed \$3,000.00 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 \$3,000.00 maximum includes the total discounts for sales/use, accommodations tax, food taxed at 4% and local tax.

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

**Line 1:** Enter total of all net taxable sales listed in Column A, 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.

**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:

**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 (last page of form ST-389) on ST-388 line 18.

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.

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**STEP 9****ENTERING LOCAL TAX ON FORM ST-388**

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**LOCAL TAX**

 If this section does not apply, go to line 19.

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

18         .

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

**SAMPLE**

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**STEP 10****DETERMINE TOTAL AMOUNT DUE**

19. **TOTAL AMOUNT DUE** (Add lines 8, 16, 17, and 18)

19        .

**SAMPLE**

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**STEP 11****SIGNATURE**

Sign and date your return on the back of the ST-388.

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

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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.

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**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.