

## Sales and Use Tax Updates

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Effective, September 1, 2011, the South Carolina Department of Revenue has announced legislative changes to the collection of state sales tax or the accrual of use tax. Please use the table below to simplify the tax inclusion/exclusion questions on invoices that Clemson pays for goods and services.

Please note that this table applies to deliveries made after September 1, 2011.

| Purchase Item                              | Description   | Taxable |
|--|---|---------|
| Maintenance Contract for Equipment or Item | Purchased with Equipment/Tangible Property even if listed as a separate line item | Yes     |
| Maintenance Contract for Equipment or Item | Purchased at a later date or not purchased in conjunction with the product        | No      |
| Maintenance Contract for Software          | Purchased with Software that was delivered electronically                         | No      |
| Maintenance Contract for Software          | Purchased Delivered Tangible Property (Disk, Flash Drive, etc)                    | Yes     |
| Software                                   | Purchased or Delivered Tangible Property (Disk, Flash Drive, etc)                 | Yes     |
| Software                                   | Delivered Electronically  | No      |
| Warranty                                   | Purchased with Tangible Property even if listed as a separate line item           | Yes     |
| Warranty                                   | Purchased at a later date or not purchased in conjunction with the product        | No      |

- *Renewals of existing agreements (maintenance, warranty, or software updates and licenses) are subject to tax based on the original purchase.*

**Code Section 12-36-60** defines the term "**tangible personal property**" to mean:

...personal property which may be seen, weighed, measured, felt, touched, or which is in any other manner perceptible to the senses.

This document addresses changes to law and in no way covers every taxable situation that may arise.

<http://www.sctax.org/default.htm>

<http://www.sctax.org/Tax+Policy/New+Legislation.htm>