

SCDMV Dealer Connection

Updates from SCDMV to You



SC Dealers IMF Reporting Procedures

Section 56-3-627 (B), of the South Carolina Code of laws has been amended to require that “If upon purchasing or leasing the item from a dealer, the owner first registers the item in this State, then the fee equals five percent, not to exceed five hundred dollars, of the gross proceeds of sales, or sales price, as those terms are defined in Chapter 36, Title 12. If the dealer holds a South Carolina retail license or offers to license and register the item, then the dealer must collect the fee and remit it to the Department of Motor Vehicles.”

It is recommended that South Carolina dealers title and register vehicles sold by the dealership for their customers. If this is done, no additional reporting will have to be submitted to SCDMV because the infrastructure maintenance fee is submitted at the time of the title/registration transaction.

However, SCDMV has made provisions to allow dealers to report sales and IMF if the customer completes the DMV transaction and for sales to out of state customers.

Customer paid IMF at the time of sale/Dealer titles and registers vehicle. IMF is paid at the time of title transaction. No additional reporting to SCDMV is required.

Customer paid IMF at the time of sale/Customer titles and registers vehicle; OR customer is a SC resident and will register in another jurisdiction.

- Provide the customer with the completed [TI-002T, Notification of Infrastructure Maintenance Fee Paid to SC Licensed Dealer](#), indicating the IMF was paid at the time of sale for the customer to present to SCDMV with the transaction.
- IMF will not be collected again for the customer’s transaction.
- Within 45 days of the date of sale, the IMF will be reported to SCDMV via SCDMV’s Form TI-002T, *Notification of Infrastructure Maintenance Fee Paid to SC Licensed Dealer*
- Note that South Carolina residents registering vehicles in another jurisdiction are required to pay the infrastructure maintenance fee (IMF).
- For sales prior to September 1, 2017, the purchaser’s signature is not required on the Form TI-002T.

Non-Resident Customer Sales.

- Have customer sign SCDOR’s ST-385 affidavit of sale at the time of sale. This affidavit should be maintained at the dealership, and a copy given to the customer for the sales tax agency of their jurisdiction, as instructed by SCDOR.
- IF NO SOUTH CAROLINA TAXES ARE COLLECTED, THE TI-002T IS NOT REQUIRED. NO ADDITIONAL INFORMATION IS REQUIRED FOR SCDMV.
- **If South Carolina taxes are collected** on the sale to a non-resident, complete and maintain the [Form TI-002T, Notification of Infrastructure Maintenance Fee Paid to SC Licensed Dealer](#). DO NOT INDICATE IMF COLLECTED, as IMF is not collected on non-resident sales. In the section provided for NON-RESIDENT CUSTOMERS, indicate the jurisdiction and the amount sales taxes collected.

- **Continued on next page...**

Titling Vehicles in the Dealership’s Name

A dealer may title a vehicle in the dealership’s name for resale purposes. This can occur when a dealer is awarded a vehicle by court order, sheriff’s bill of sale, or magistrate (in which they are required to title prior to transfer to a buyer); or, when the dealer wants to insure there will be no transfer issues for their buyer; or when titling for rental purposes. In all of these incidences, if the dealer’s intent is to sell or rent the vehicle, IMF is not collected at SCDMV on the transaction.

The dealership should advise SCDMV that the vehicle is for retail or rental/loaner purposes. Otherwise, SCDMV may request the IMF payment.

State-Wide Titling Classes

Please see our website for a list of titling classes once a month throughout the state.

To Schedule:

Call (803) 896-4870

Email: tcmscheduling@scdmv.net

Let us know immediately of any cancellations because there is often a wait list of individuals wishing to attend.

SC Dealers IMF Reporting Procedures, continued...

- SC dealers will report any taxes collected from a non-resident within 45 days of the date of sale via SCDMV's Form TI-002T, *Notification of Infrastructure Maintenance Fee Paid to SC Licensed Dealer*.
- For sales prior to September 1, 2017, the purchaser's signature is not required on the Form TI-002T.

Vehicles not subject to Maximum Tax and Non-Dealer Retail Sales

For vehicle types not subject to the maximum tax, and for retailers that are not licensed dealers, sales taxes are still reported to the Department of Revenue. These vehicles include but are not limited to mopeds purchased prior to November 19, 2018, pole trailers, utility trailers, boat trailers and farm trailers, golf carts, ATVs and go-carts. When vehicles that are not subject to the maximum tax are sold and presented for titling to SCDMV, an invoice indicating sales taxes were collected by the retailer must be presented. Also, vehicles sold by non-dealer retailer must include an invoice indicating sales taxes were collected when presented for titling and/or registering.

Penalties for Non-Compliance

A record of IMF payments received from South Carolina licensed dealers will be compared to vehicles titled and/or registered indicating the payment was made to the dealer. Dealer License sanctions may be imposed for non-payment within 45 days of the date of sale as required.

Email cartaxes@scdmv.net for questions regarding motor vehicle IMF/Sales Taxes.

Leased and Rental Vehicles

Previously, when a dealer presented paperwork for vehicles that will be leased, or that will be used as a rental, SCDMV did not require sales taxes because the dealer or company submitted a South Carolina retail sales tax identification number. As with other vehicles titled and registered the IMF is due on transactions for **leased** vehicles unless an invoice/bill of sale, or the Form TI-002T is presented by the purchaser indicating the IMF was collected by the dealer.

For vehicles that will be used for short-term rentals or loaners, IMF is not due on the title and registration transaction. The renter will pay sales taxes upon renting the vehicle. Vehicles removed from the rental fleet and subsequently sold will be charged the IMF fee when titled/registered.

Vehicle Sales Price

SCDMV is still in the process of updating the Form 400. Until the Form 400 is updated with the required fields, dealers are asked to indicate the sales price, trade in and tax credit on the existing Form 400 in Section I.

Also, it has been confirmed with the Department of Revenue and the South Carolina Automobile Dealers Association that the document fee is included in the sales price of the vehicle. It is not necessary to separate the document fee from the sales price of the vehicle on the Form 400. Include the document fee and any other fees that are a part of the sales price of the vehicle in the total sales price indicated on the Form 400.

Reciprocity Issues

There are still a number of questions regarding tax reciprocal agreements with other jurisdictions. The best source for this information can be found in the SC Department of Revenue's Information Letter 17-10 located on their website at www.sctax.org. Page 18 addresses purchases by nonresidents for registration in the purchaser's state of residence.

If you are viewing this newsletter electronically, IL 17-10 may be accessed by the following link — <https://dor.sc.gov/resources-site/lawandpolicy/Advisory%20Opinions/IL17-10.pdf#search=il17%2D10>.

In addition, SCDMV has adopted into policy the tax table included in IL17-10 for vehicles that are titled/registered.

Competent, Committed
and Courteous

