



# Business Taxes

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The following information on taxes will assist qualified businesses that are considering relocating or expanding in Greer, South Carolina. Complete information on each item is available by contacting the Greer Development Corporation at (864) 849-0012.

- State Corporate Income Tax:** Corporate income tax rate is 5.0 percent. Corporations engaged in multi-state activities are taxed only on that portion of income derived from doing business in SC. The process for determining the taxable income in SC is based on Allocated Income and Apportioned Income. Apportioned Income is based on a three-factor formula that is weighted as follows: 1) Property Factor (25%) 2) Payroll Factor (25%) and 3. Sales Factor (50%). The SC Apportionment formula is based upon the Uniform Division of Income for Tax Propose Act (UDITPA), which has been adopted by the majority of the states. In addition, SC permits an extended recovery time for business losses with up to a 15-year carry forward loss period.
- Sales & Use Tax:** The SC sales & use tax rate is 5 percent. The sales tax applies to all retail, leases, and rentals of tangible personal property, including the value of property purchased at wholesale and used or consumed by the purchaser, unless specifically exempt. The use tax is based on the sales price of such property. SC counties can apply an additional 1 to 2 percent local option sales & use tax. Both Greenville & Spartanburg Counties do not administer a local option sales & use tax.
- State Intangible Personal Property Tax:** In support of business, SC exempts all intangible property from local property taxation.
- State & Local Property Taxes:** There is no State tax on real and personal property. In SC, local government levies property taxes. All property is appraised at fair market value by the SC Dept. of Revenue. The fair market value is then assessed at rates established by the Constitution. For manufacturers, real and personal property are both assessed at 10.5 %. The assessment ratio for all other businesses is 6% for real property and 10.5% for personal property. The taxes due on each parcel of property is calculated by multiplying the fair market value (including depreciation) by the assessment ratio by the local millage (1 mill = \$0.001) levied by the taxing authorities within that county. For property inside the City of Greer the millage rate is 93.9.
- SC Business License Fee (Franchise Tax):** All corporations must pay an annual fee to the SC Department of Revenue. The rate is one mill per dollar of a proportion of total paid-in-capital and paid-in-surplus, plus \$15. Earned surplus (retained earnings) is not included in the base when calculating the fee. For corporations doing business outside the state, the fee is determined by apportionment – same as the corporate income tax. The minimum fee is \$25.
- Local Business License Fees:** A local tax for engaging in certain specified types of business. Both Greenville & Spartanburg Counties do not require a Business License Fee. Every person engaged or intending to engage in any calling, business, occupation or profession within the limits of the City of Greer is required to pay an annual license fee and obtain a business license.

*Note: Only the SC Dept. of Revenue, local elected councils, and the SC Coordinating Council for Economic Development have the authority to offer definitive tax commitments under SC law. This information is provided to illustrate SC's pro-business environment and to assist a company in their evaluation of SC.*