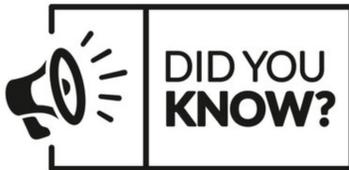




Office of the Controller

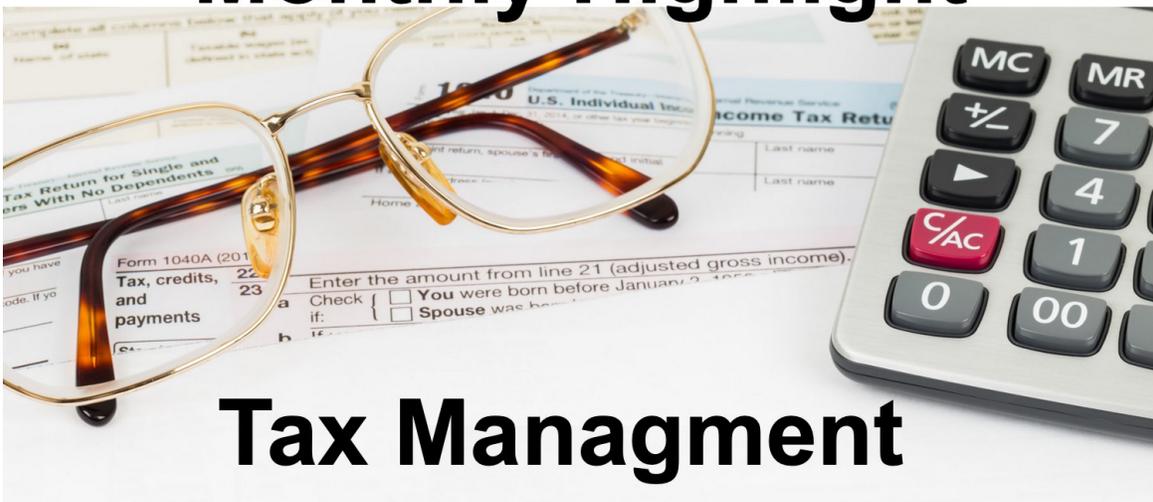
October 2023 Newsletter

Dedicated to supporting the mission of the University of South Carolina by providing efficient, effective, and professional service to students, faculty, and staff for appropriate financial functions.



Our Tax Management team prepares 3000 1099 tax forms and manages 31,685 active suppliers.

Monthly Highlight



Tax Management

Important Tips and Reminders

A common misconception is that the University is exempt from all forms of tax. However, in accordance with [Internal Revenue Code \(IRC\) Section 115](#), the University is exempt from federal income tax but not state sales tax. Only a short list of items qualify for a sales tax

exemption, including machines used directly and primarily in research and development, books, magazines, periodicals, and access to online information (used in a course of study).

Other things to keep in mind:

Monthly Tax Returns

All sales, admissions, and accommodations tax returns are due to the Controller's Office by the 10th of every month, following the month for which is being filed. For example, October tax returns would be due by **November 10th**. With the volume of returns filed by the Controller's Office, this will ensure ample time to process the filing and remittance to the SC Department of Revenue in a timely manner.

- **Sales & Use Tax**

In general, sales of most tangible personal property and certain services are subject to sales tax. If your department has intentions of selling these items, please contact the Tax team to inquire about establishing a retail account to collect and remit sales tax to the SC Department of Revenue.

- **Admissions Tax**

An admissions tax of 5% must be collected by all places of amusement when an admission fee has been charged. For a comprehensive reading of admissions tax, please see **Sections 12-21-2410 through 12-21-2575** of the SC Code of Laws. Beginning in fiscal year 2023-24, admissions tax may be refunded on athletic events.

- **Accommodations Tax**

A 5% sales tax and 2% accommodations tax, in addition to local county sales taxes, is imposed upon the gross proceeds from the rentals or charges for sleeping accommodations furnished at any place in which rooms, lodgings, or sleeping accommodations of any kind are furnished.

Useful Resources

- When purchasing items out-of-state, reference the **Use Tax Matrix** to assist in making applicability determinations.
- When determining the appropriate classification and disbursement method for payments to students, reference the **Student Payment Method Decision Tree** to aid in the assessment.
- When assessing sources of income, tax exemption, and documentation requirements for foreign nationals, reference the **Payments to Foreign Nationals Matrix** for assistance.
- For all other Tax Management resources, please visit our **Compliance and Tax Management** webpage. If you have a question not addressed on our website, please contact us at tax@mailbox.sc.edu.

Supplier Management

Have you ever wondered how Supplier Management fits into our Tax function? Our Supplier team's diligent management of supplier registrations and updates ensures the proper tax withholding selections are made to produce accurate and timely tax forms for our suppliers each year.

For all of your Supplier Management resources, please visit our **Compliance and Tax Management** webpage. If you have a question not addressed on our website, please contact us at apsupplr@mailbox.sc.edu.



General Ledger - Tip of the Month

Differences in Sales Tax and Use Tax?

General Ledger Account 22001 - Sales Tax Payable

General Ledger Account 22002 - Use Tax Payable

While sales tax and use tax are essentially the same tax, there are still differences in their meaning and calculations.

Sales tax in its simplest term is a tax imposed on the sale of goods or certain services. USC as the seller will collect and remit sales tax. Sales tax is manually recorded to the GL at the time of the funds being deposited or following the deposit via a journal entry. You can see sales tax items posting to the GL at the individual department level in **account code 22001**. It is a good idea to compare your balance in account code 22001 to your sales tax return before submitting it to the Controller's Office for processing. In the case of sales tax, USC actually has the cash on hand.

Use tax is a tax imposed on the purchase of goods or services that were originally purchased without paying sales tax. USC as the purchaser calculates and remits use tax when it is not included on an invoice. Use tax is automatically calculated through the Accounts Payable module and can be manually added using My Wallet in the Travel/Expense module. All use tax items show up on the GL in **account code 22002** at the high CL000 operating unit level. The other side of the accounting entry will be the individual department expense account. With use tax, USC will not have the cash on hand, it is a self-assessed tax.

The current South Carolina state sales/use tax rate is 6%. When adding in the specific municipalities, the combined rate can be as high as 9%. The different rates are due to each county having the ability to impose additional local taxes in 1% increments. These additional taxes must be approved by voters in each individual county. See current tax rates by county below.

County	Tax Rate	County	Tax Rate	County	Tax Rate	County	Tax Rate
Abbeville	7%	Chesterfield	8%	Hampton	7%	Newberry	7%
Aiken	8%	Clarendon	8%	Horry	8%	Oconee	6%
Allendale	8%	Colleton	8%	Horry-Myrtle Beach	9%	Orangeburg	7%
Anderson	7%	Darlington	8%	Jasper	8%	Pickens	7%
Bamberg	8%	Dillon	8%	Kershaw	8%	Richland	8%
Barnwell	8%	Dorchester	7%	Lancaster	8%	Saluda	8%
Beaufort	7%	Edgefield	8%	Laurens	8%	Spartanburg	7%
Berkeley	9%	Fairfield	7%	Lee	8%	Sumter	7%
Calhoun	8%	Florence	8%	Lexington	7%	Union	7%
Charleston	9%	Georgetown	6%	McCormick	8%	Williamsburg	8%
Cherokee	8%	Greenville	6%	Marion	8%	York	7%
Chester	8%	Greenwood	7%	Marlboro	8%		

Reach out to the GL Team at genacctg@mailbox.sc.edu.



Important Payroll Reminders

Direct Deposit in PeopleSoft HCM for New Hires

All USC employees are **required** to set up direct deposit for payroll. New hires, including students, are prompted to set up direct deposit as a part of the Onboarding process. They simply complete that step in the activity guide!

Retirement Contributions

For employees who would like to max out their voluntary retirement deductions, please increase your deductions as soon as possible because we are in the last quarter of the calendar year. You can use the Paycheck Modeler found within the Payroll tile in Employee Self Service to calculate what their paycheck will look like when retirement deductions are added. Remember that you must be enrolled in a voluntary 403b or 401k retirement plan before you can add or increase deductions.

If you have questions, please reach out to payroll@mailbox.sc.edu.



The following training will be offered in **October**. To register, click the links for the session(s) you would like to attend. On the registration page, provide your first/last name and email. Once registration is complete you will receive a confirmation



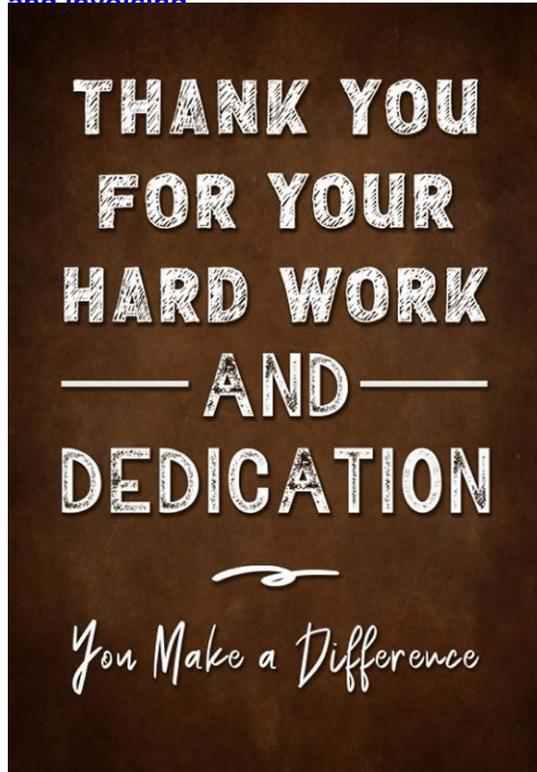
October 10 by 5pm: Deadline to submit September Sales/Use/Admissions Tax Returns

October 13 by 5pm: Deadline to submit September F&A Adjustment Journal Entries

email and the session will be added to your calendar.

October 5: Office of the Controller Reporting and Website Updates
October 12: Travel Card Training

October 26: Subrecipient Monitoring and Invoicing



October 25 by 5pm: Team Card and Travel Card October billing cycle deadline

October 27 by 5pm: P-Card October billing cycle deadline

October 31 by 12pm: October Expense Module Correction forms (APEX) submitted to GL mailbox

October 31 by 12pm: October AP JV eForms completed and approved in PeopleSoft Finance

November 1 by 5pm: October Journal Entires completed and approved in PeopleSoft Finance

November 3: Tentative GL close for October

Please reach out to our General Accounting Team,
genacctg@mailbox.sc.edu, if you have any questions.

[Facebook](#) [Instagram](#) [LinkedIn](#)

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