



March 27, 2001

CFO-DIS-2001-00047

**SOUTH CAROLINA WITHHOLDING TAX TWO PERCENT (2%)  
WITHHOLDING REQUIREMENT CODE SECTION 12-8-550**

South Carolina Code of Laws Section 12-8-550 has been amended effective January 1, 2001. The code section was amended to **exclude** contracts of \$10,000 to nonresidents that **do not** include personal services from the two percent (2%) withholding tax requirement.

The requirement remains the same for contracts in excess of \$10,000 to nonresidents that include personal services. This requirement is to withhold two percent (2%) from each payment made to the nonresident unless the nonresident provides Form I-312 (Nonresident Taxpayer Registration Affidavit Income Tax Withholding) affirming registration in South Carolina (via. tax form SCTC-111).

It will be necessary for you to identify nonresident contracts that include personal services from nonresident contracts that **do not include** personal services to be sure that the two percent (2%) is withheld (in the absence of Form I-312) from contracts that do include personal services.

To avoid this 2% reduction from your company's payments, register with the S.C. Department of Revenue (via the SCTC-111 form, Section A) and fax it to 803-898-5888 (Attention: Registration Unit). Upon receipt of a confirmation letter from the Department of Revenue, complete the I-312 (Nonresident Taxpayer Registration Affidavit Income Tax Withholding) form. Please fax the completed I-312 form to my attention at 803-952-8843 or 803-952-8469,,, (press pause button 3 times) 6202 or mail the completed form to:

Westinghouse Savannah River Company  
Accounts Payable/Cash Management  
Attention: Cheryl Salter  
P.O. Box 6809  
Aiken, S.C. 29804-6809

The SCTC-111 and I-312 forms are available by downloading them from the SRS homepage ([www.srs.gov/general/srs-home.html](http://www.srs.gov/general/srs-home.html)) and selecting the following: **Opportunities; WSRC Procurement; General Provisions & Related Documents; General Procurement Forms & Instructions**. If you have any questions concerning compliance with the South Carolina tax code, please contact the South Carolina Department of Revenue at 803-898-5757 or 803-898-5721, the SC web site is [www.scstatehouse.net](http://www.scstatehouse.net) (see Title 12 – Taxation, Chapter 8). Other questions may be directed to Cheryl Salter at 803-952-6202, E-mail address: [cheryl.salter@srs.gov](mailto:cheryl.salter@srs.gov)