

Chapter 28

TAXATION*

* **State Law References:** Municipal power to levy taxes on all property not otherwise exempted by general law, S.C. Code 1976, §§ 5-7-30, 5-21-110; authority of local governments to assess taxes and fees, S.C. Code 1976, § 6-1-300 et seq.; collection of delinquent ad valorem taxes by municipalities, S.C. Code 1976, § 5-7-300; alternative procedure for collection of property taxes, S.C. Code 1976, § 12-51-40 et seq.; municipal authority to exempt certain manufacturing establishments from ad valorem taxation, S.C. Const. art. X, sec. 3(g); property tax levies shall be uniform, S.C. Const. art. X, sec. 6; any tax levied shall distinctly state the public purpose for which tax proceeds will be applied, S.C. Const. art. X, sec. 5.

Article I. In General

Secs. 28-1--28-18. Reserved.

Article II. Local Accommodations Tax

Sec. 28-19. Imposed.

Sec. 28-20. Remittance by vendor to city.

Sec. 28-21. Special account established.

Secs. 28-22--28-47. Reserved.

Article III. Hospitality Tax

Sec. 28-48. Authority.

Sec. 28-49. Purpose and intent.

Sec. 28-50. Definitions.

Sec. 28-51. Tax imposed.

Sec. 28-52. Payment and collection; submitted reports; mailings of returns.

Sec. 28-53. Hospitality tax fund.

Sec. 28-54. Authorization for use.

ARTICLE I.

IN GENERAL

Secs. 28-1--28-18. Reserved.

ARTICLE II.

LOCAL ACCOMMODATIONS TAX*

* **State Law References:** Tax on accommodations for transients, S.C. Code 1976, § 12-36-920.

Sec. 28-19. Imposed.

There is hereby imposed a local accommodations tax of two percent on the gross consideration, as described in S.C. Code 1976, § 12-36-920(A), by any person proceeds derived from rental or charges for accommodations furnished to transients for within the city (hereinafter referred to as vendor). (Ord. No. 2006-2, § 1, 9-11-2006)

Sec. 28-20. Remittance by vender to city.

Payment of the accommodations tax established herein shall be remitted by the vendor to the city on a monthly basis, along with such return or form as may be established by the city for such purposes, not later than the 20th day of the month and shall cover the tax due for the previous month. Any tax not timely remitted shall be subject to a penalty of five percent of the sum owed for each month or portion thereof until paid. (Ord. No. 2006-2, § 2, 9-11-2006)

Sec. 28-21. Special account established.

There is hereby established a special account to be known as the local accommodations tax account into which the taxes remitted shall be deposited by the city and used solely for the purposes provided by law. (Ord. No. 2006-2, § 4, 9-11-2006)

Secs. 28-22--28-47. Reserved.

ARTICLE III.

HOSPITALITY TAX*

* **State Law References:** Local Hospitality Tax Act, S.C. Code 1976, § 6-1-700 et seq.

Sec. 28-48. Authority.

This section is enacted pursuant to the authority of S.C. Code 1976, §§ 5-7-10 and 5-7-30, which provide, in relevant part, that municipalities may adopt ordinances which appear necessary and proper for the security, general welfare and convenience of the municipality and for the preservation of the general health, peace and order in the municipality and further that municipalities may establish uniform service charges, and pursuant to S.C. Code 1976, § 6-1-700 et seq. (Ord. No. 2006-4, § 1, 9-11-2006)

Sec. 28-49. Purpose and intent.

This section is enacted to preserve the general health, safety and welfare of the general public within the city by creating a uniform tax for the purpose of creating a fund to pay in whole or in part for tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums; tourism-related cultural, recreational, or historic facilities; highways, roads, streets and bridges providing access to tourist destinations; advertisements and promotions related to tourism development; water and sewer infrastructure to serve tourism-related demand; the acquisition of land and the construction of passive and active community recreation buildings; the payment of bonded indebtedness required to provide the above referenced uses; and administrative costs associated with collection, accounting for and applying the hospitality taxes. (Ord. No. 2006-4, § 2, 9-11-2006)

Sec. 28-50. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Business means any entity which has or is required to have a business license from the city and is subject to collecting and remitting state sales tax for sales which it makes.

Establishment means any business within the city which sells prepared meals and beverages, inclusive of alcoholic beverages, beer and wine, whether for on-premises consumption, take-out or delivery.

Hospitality tax means the local hospitality tax defined by S.C. Code 1976, § 6-1-710 and authorized to be charged by municipalities by S.C. Code 1976, § 6-1-720, as from time to time amended.

Prepared meal means food prepared or modified by an establishment which at the time of sale is ready for consumption by members of the public, regardless of the food's actual quantity, presentation or packaging, and without regard to the time of day of the sale.

(Ord. No. 2006-4, § 3, 9-11-2006)

Sec. 28-51. Tax imposed.

A uniform tax equal to two percent is hereby imposed on:

- (1) The sale of prepared meals and beverages, inclusive of alcoholic beverages, beer, and wine sold in establishments.
- (2) The sale of prepared meals and beverages, served by a restaurant, hotel, motel, or other food service facility and establishments licensed for on-premises consumption of alcoholic beverages, beer, or wine within the city.
- (3) In addition, the tax shall be imposed for all food and beverages prepared or modified by convenience stores, grocery stores, delicatessens, caterers and other similar businesses within the city.

(Ord. No. 2006-4, § 4, 9-11-2006)

Sec. 28-52. Payment and collection; submitted reports; mailings of returns.

(a) Payment of the tax established herein shall be the liability of the consumer purchaser of the services or products described in section 28-51. The tax shall be paid at the time of delivery of the services or products to which the tax applies and shall be collected by the provider or seller of the service or products. Establishments' records may be inspected or audited, by the city at the city's request, at reasonable times and places.

(b) The taxes collected by the seller or provider of the services or products as required under section 28-51 shall be remitted to the city, as prescribed by state law and specifically S.C. Code 1976, § 6-1-770, along with such return or forms as may be established by the city for such purposes.

(c) Taxes and required reports shall be submitted to the city by the 20th day of the applicable month (monthly for monthly reports, the first month of the quarter for quarterly reports and the first month of the year for annual reports) and shall cover sales of the previous month, quarter, or year, respectively, as appropriate and as provided in S.C. Code 1976, § 6-1-770. A payment of the tax is considered to be timely remitted to the city if the payment and the return have a U.S. mail postmark date (not a metered date) on or before the date the payment and return are required to be made. If the 20th day of the month falls on a Saturday, Sunday, U.S. Postal Service holiday or city holiday, then payments and returns mailed or made at the city on the next business day will be accepted as timely made. Any taxes not timely remitted shall be subject to a penalty of five percent of the unpaid tax for each month or portion thereof after the due date until paid. The failure to collect from patrons the tax imposed by this article shall not relieve any establishment subject to the article from making the required remittance; provided, however, that the provider or seller of the services or products may retain two percent of the amount due with the report to offset the costs of recording and remitting, provided the taxes are remitted timely.

(d) Any person violating any provision of this article shall be deemed guilty of an offense and shall be subject to punishment under section 28-55 upon conviction. Each day and each act of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for herein.
(Ord. No. 2006-4, § 5, 9-11-2006)

Sec. 28-53. Hospitality tax fund.

(a) A revenue fund of the city, segregated from the city's general fund, shall be known as the city's hospitality tax fund, and shall be established and all revenues received from the hospitality tax shall be deposited exclusively into this fund. The principal and any accrued interest from this fund shall be expended only as permitted in subsection (b) of this section.

(b) The city council is hereby authorized to utilize the funds collected from the imposition of the hospitality tax for the following purposes.

- (1) Tourism-related buildings including, but not limited to, civic center, coliseums, and aquariums;
- (2) Tourism-related cultural, recreational, or historic facilities;
- (3) Highways, roads, streets, and bridges providing access to tourist destinations;
- (4) Advertisements and promotions related to tourism development;
- (5) Water and sewer infrastructure to serve tourism-related demand;
- (6) The acquisition of land and the construction of passive and active parks and facilities associated with parks including playground equipment, sports facilities, and community recreation buildings;
- (7) The payment of bonded indebtedness required to provide the uses referenced in this subsection;

(8) Administrative costs associated with collection, accounting for and applying the hospitality taxes.

(Ord. No. 2006-4, § 6, 9-11-2006)

Sec. 28-54. Authorization for use.

Authorization to utilize revenues from the hospitality tax account shall be by the annual budget ordinance duly adopted by the city council.

(Ord. No. 2006-4, § 7, 9-11-2006)