

The Town of
South Congaree

Local Hospitality Tax FAQ's

What is a Hospitality Tax?

A 2% Tax imposed on the purchase of prepared or modified food and/or beverages intended for the consumption by a restaurant, hotel, motel, caterer or other food service facility within the Town. In addition, the tax shall be imposed on all food and beverages prepared or modified by convenience stores or grocery stores that have specified areas where food and beverages are prepared for immediate consumption or carry out.

Who is responsible for the collection and remittance of the Hospitality Tax?

As a business that prepares food and/or beverages within the Town, you will be responsible for the collection and remittance of this tax. Similar to the state sales tax, the levy is assessed at the point of sale and would be collected by your business, then remitted directly to the Town.

Remittance will occur on the following schedule:

- Monthly, when the average tax collection exceeds \$50 per month;
- Quarterly, when the average tax collection is between \$25 and \$50 per month;
- Annually, when the average tax collection is less than \$25.

Do I charge a Hospitality Tax on Catering Orders or for sales delivered outside of Town?

Yes, all orders/sales, whether generated inside or outside the Town, are subject to the 2% Hospitality Tax when the food is prepared within the municipality. If the business is required to remit the Hospitality Tax to another jurisdiction, the amount remitted must be disclosed to the Town on the monthly reporting form.

How will the Tax be remitted?

Taxes will be remitted to the Hospitality Tax Clerk by the 20th of each month for the prior month's total collections. Each remittance must include a completed *Local Hospitality Tax Reporting Form*.

What if my payment is delinquent?

A penalty of 5% per month must accompany all delinquent remittances, violations for non-payment of taxes and/or penalties are subject to fines, as provided under Town of South Congaree Ordinances.

Why was it necessary to implement a Hospitality Tax?

To fund the operation and maintenance of current and future tourism related facilities. Also, to fund necessary capital expenditures to promote quality of life, tourism, recreation, including future park facilities, cultural and historic structures, and to provide infrastructure and promotion to and for these projects, without relying solely upon property taxes and business license taxes. Specifically, items to be funded by Local Hospitality Tax include:

- Revitalization and beautification of the Town of South Congaree..
- Improvements to Town of South Congaree owned parks.
- Marketing and promotion of Town sponsored events.

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GENERAL QUESTIONS: 2% LOCAL HOSPITALITY FEE

RESTAURANTS AND BARS

What sales are affected by the Hospitality Fee for restaurants, bars and other food service establishments?

ALL food, beverage and alcohol sales.

CONVENIENCE STORES, GROCERY AND SIMILAR STORES

What sales are affected by the Hospitality Fee for convenience, grocery and similar stores?

All food and/or beverage items that are prepared or modified by convenience stores, grocery stores and similar stores and intended for immediate consumption.

What are some examples of prepared and/or modified food and beverages affected by the fee?

- A. Heated foods (pizza, nachos, hot dogs, sandwiches, chicken, vegetables, etc.)
- B. Prepared sandwiches, salads, doughnuts and cakes
- C. Fountain drinks, frozen drinks, coffee and cappuccino

What are some examples of prepared and/or modified food and beverages NOT affected by the fee?

- A. Packaged foods
- B. Bulk or packaged cold deli products
- C. Canned or bottled beverages

ACCESSORY USE FOOD SERVICE FACILITIES

What sales are affected by the Hospitality Fee for food service which is an accessory to the primary business (arcades, amusements, theaters, etc.)?

Prepared or modified food and beverage items such as fountain drinks, popcorn, nachos, etc.

Why was it necessary to implement the Hospitality Fee?

To fund necessary buildings and improvements related to tourism, such as beautification projects, advertising and promotional efforts, tourism-related facilities and tourism-related water and sewer infrastructure.