



STATE OF SOUTH CAROLINA
TOWN OF SOUTH CONGAREE
ORDINANCE 2024-06

AN ORDINANCE PROVIDING FOR A LOCAL HOSPITALITY TAX ON THE SALES OF PREPARED MEALS AND BEVERAGES IN ESTABLISHMENTS WITHIN THE TOWN OF SOUTH CONGAREE.

WHEREAS, the General Assembly of the State of South Carolina amended Title 6, Chapter 1, of the 1976 Code to provide for a Local Hospitality Tax, effective July 1, 1997:

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Town of South Congaree in Council duly assembled, and by the authority thereof, that:

117: HOSPITALITY TAX

§117.01 Municipal Hospitality Tax. There is hereby imposed a Local Hospitality Tax of two (2) percent on the gross proceeds of the sale of all prepared meals and beverages in establishments within the Town of South Congaree. Such an establishment (hereinafter referred to as a “vendor”), to the full extent allowed under state law, shall include, and not be limited to

- A. An establishment licensed for on-premises consumption of alcoholic beverages, beer, or wine.
- B. Any restaurant, hotel, motel, or other food service facility; and
- C. Any convenience store or grocery store or other store or business that sells prepared meals and beverages within the Town.

§117.02 Payment of Municipal Hospitality Tax.

- A. Payment of the hospitality tax established hereby shall be the liability of the customer.
- B. The tax imposed by this ordinance shall be collected from the customer when payment for meals or beverages is tendered and shall be held in trust for the benefit of the Town until the same is paid to the town. Hospitality tax collected from patrons must not be used as operating income for the business.
- C. Every establishment subject to this section shall, on the date or within the time period hereinafter prescribed, make a return to the town on forms provided by the town delineating gross proceeds of sales of prepared meals, food, and beverages for the previous month, and the amount of the tax due by virtue of this section.
- D. A copy of the state sales tax return shall be submitted with each hospitality tax payment for the period the hospitality tax payment covers. If the state sales tax return is not received with the payment, a penalty of (5) five percent of the amount of the tax due will be assessed for failure to timely file audit records as requested. If not, all sales reported on the state sales tax return are from the sale of prepared or modified foods or beverages, the business will also need to identify and reconcile the amount of the sales from prepared or modified foods or beverages. At the time the return is filed, the full amount of any tax due hereunder shall be remitted.
- E. On the (20) twentieth day of each the month, taxes and required reports shall be submitted to and received by the town and shall cover sales of the previous month. If the due date for reporting and payment falls on a Saturday or Sunday, or a federal, state or town observed holiday then reporting and payment are considered timely on the following business day.
- F. 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.

G. Any taxes not timely remitted shall be subject to a penalty:

1. The first offense of a calendar year (January through December) shall be (5%) five percent of the amount due until taxes are paid in full and shall be assessed on the first business day after the due date. An additional (5%) five percent shall be assessed on the first day of each month thereafter.
2. Second offense occurring within the calendar year, the penalties increase to (10%) ten percent.
3. A third offense will result in penalties increasing to (25%) twenty-five percent.
4. Failure to collect from patrons the tax imposed by this section shall not relieve any establishment from making the required remittance.

H. Returned checks tendered for hospitality tax payments shall incur penalties and a \$25.00 administration fee. Establishments must replace returned checks with certified funds and shall be ineligible to obtain a current business license until the balance is paid in full.

I. Businesses with zero revenue in any month must nonetheless report on the prescribed form.

§117.03 Hospitality Tax Account. There is hereby established a special account to be known as the hospitality tax account into which the monies remitted to the town under this section shall be deposited. All funds in the hospitality tax account, including any interest as may accrue thereon, shall be used only for the purposes allowed by law.

§117.04 Records Required to be maintained. Every business or person required to remit taxes under this section shall maintain books and records showing the taxes due under this section for a period of five years after the tax is due.

§117.05 Inspections, audits, and administration. To enforce this section, the town or its authorized agent is empowered to enter upon the premises of any person or entity subject to the chapter and to make inspections and examine and audit books and records. It shall be unlawful for any person or entity to fail or refuse to make available the necessary books and records during normal business hours upon ten days' written notice. The town or its authorized agent may make systematic inspections of all establishments within the town to ensure compliance with this section.

§117.06 Violations. The failure of any vendor subject to this ordinance to remit to the Town the tax imposed by the provisions of this ordinance shall constitute a misdemeanor punishable by a fine of not more than \$500.00 or imprisonment for up to thirty (30) days, or both.

§117.07 Delinquencies.

- A. Penalties may not be waived except by action of town council.
- B. The town will not do business directly with any entity required to collect and pay hospitality tax, which is not current with all requirements of this section.
- C. Current payments will be applied to any prior balances before being applied to the current month and penalties will accrue to any shortage associated with the payment for the current month.
- D. Businesses with hospitality tax balances due or unified returns must file returns or pay any balance in full before a business license is issued.

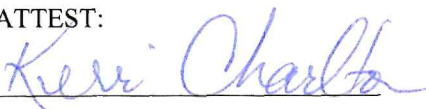
§117.08 Severability This ordinance is subject to the constitution and the laws of the State of South Carolina. If any section, phrase, sentence, or portion of this ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

§117.09 Effective Date This ordinance shall become effective on July 1, 2024.

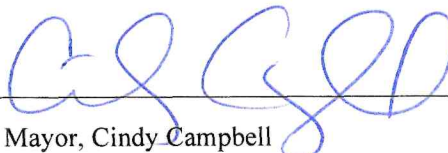
First Reading: 06/20/2024

Second Reading: 06/27/2024

ATTEST:



Municipal Clerk, Kerri Charlton



Mayor, Cindy Campbell

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.

The Town of
South Congaree

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.