

SPARTANBURG COUNTY

*Local Hospitality
Tax Guide*



Spartanburg County Government Offices
366 N. Church Street Suite 900
Spartanburg, SC 29303

You Must Register Your Business

Local Hospitality Tax Guide

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Spartanburg County Government

Hospitality Tax Division

366 N. Church Street Room 900

Post Office Box 5666

Spartanburg, South Carolina 29304

Phone: (864)596-3202

RE: LOCAL HOSPITALITY TAX

Dear Business Owner:

Thank you for choosing Spartanburg County as the location of your new business. This guide provides helpful information regarding the local hospitality tax and includes all of the necessary forms. It also includes Frequently Asked Questions, General Information about opening a restaurant, a copy of the Adopted Hospitality Tax Ordinance and Contact Information.

The following forms are included for your convenience:

- Local Hospitality Tax Registration Form
- Business Change Notification Form
- Local Hospitality Tax Reporting and Computation Form and
- Local Hospitality Tax Exemption Form.

If your establishment does not sell prepared foods and/or beverages, please complete and sign the Exemption Form and return it to this office.

Please feel free to contact this office with any questions regarding the Local Hospitality Tax. All of the required forms and information shown above are available on our website <http://www.spartanburgcounty.org/govt/depts/bdgtmngt/htax/index.htm>.

Sincerely,

Dawn Moody
Hospitality Tax Specialist

General Information

Below is some general information that you may find helpful as you begin your business endeavor. This list is not all-inclusive and if you have questions, please do not hesitate to contact any of the organizations listed below. They are always ready to answer your questions and assist you along the way.

How do I choose a Business Name?

The South Carolina Secretary of State's office has a vast amount of valuable information needed to open your business. Before establishing your business name, check the availability of the proposed name to ensure that it is not already in use within the state; if you wish to trademark the name, contact the Trademark Division. In addition, information is also available concerning the legal structure of your business such as a Limited Liability Company (LLC), Sole Proprietor, Corporation, etc. All of the necessary information may be found on the website: <http://www.sos.sc.gov/index.asp>. Phone: (803)734-2158

What if I serve Alcohol?

Any business that sells or serves alcohol must obtain a permit from the South Carolina Department of Revenue Alcohol Beverage Licensing (ABL) division. If alcohol is served by the drink, there is a tax that must be collected and remitted in addition to the sales tax and hospitality tax. All of the information may be found on the website: <https://dor.sc.gov/tax/abl>. Phone: (803)898-5854

Do I need to contact Department of Health and Environmental Control (DHEC)?

All businesses that handle food must contact the South Carolina Department of Health and Environmental Control prior to opening and a license is required prior to opening the business. All information may be found on the website: <http://www.scdhec.gov>. Local office phone: (864)596-3327

Why should I contact the Office of Building and Fire Codes?

This office assists with signage regulations, Certificates of Occupancy, Construction Permits and other associated regulations and/or permits. All Security Systems in Spartanburg County must also be registered and this office can provide assistance with this requirement, as well. Information may be found on the website: <http://www.spartanburgcounty.org/govt/depts/bfc/index.htm>. Location: 366 North Church Street Suite 500 Phone: (864)596-2727.

Frequently Asked Questions

What is the Local Hospitality Tax?

A Local Hospitality Tax is a tax, not to exceed two percent, on the sale of prepared meals and beverages sold in establishments. The tax is authorized in Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended, generally referred to as the "Local Hospitality Tax Act". Spartanburg County Council has imposed a two percent (2%) Local Hospitality Tax to provide a dedicated source of revenue and an appropriate and efficient means of funding tourist-related infrastructure and capital improvement projects. It is the Council's intent to enhance the County's appeal to tourists through further development of the County as a destination for tourist related activities.

What is considered a prepared meal?

A prepared meal is any food and /or beverage (including alcoholic beverages, beer and wine) prepared or modified by an establishment, which at the time of sale is ready for consumption.

Who is responsible for collecting and remitting the Local Hospitality Tax?

Restaurants, bars and lounges, private clubs, hotels and motels, caterers, grocery stores, convenience stores and other food establishments are responsible for collecting this tax from patrons and are required to remit such collections to the local government. Failure to collect taxes does not relieve any business from making the required remittances to the local government.

How should the tax be remitted?

The Local Hospitality Tax Act requires that taxes be remitted to Spartanburg County on a Monthly basis when the estimated amount of average tax is more than fifty (\$50.00) dollars a month, on a Quarterly basis when the estimated amount is twenty-five (\$25) to fifty (\$50) dollars a month and Annually when the estimated amount of average tax is less than twenty-five (\$25) dollars a month.

Note: If you are using a 13 period accounting cycle, please contact this office for further instructions.

When did the Hospitality Tax go into effect and when will my first remittance be due?

Spartanburg County's two percent (2%) Local Hospitality Tax went into effect on January 1, 2008. The deadline for remittance of the first month's collections will be 5:00 p.m. on the 20th of the following month to avoid incurring penalties.

Items Subject to or Excluded From Tax

What items are taxed?

All food and/or beverage sales prepared or modified for immediate consumption. The following are examples of taxable items:

- Produce (Vegetables, Fruit) cut, sliced, cored, etc., or prepared/modified on site (Ex: Vegetable and Fruit Trays)
- Meats and cheeses cut, sliced, or prepared on site (Ex: Meat and Cheese Trays)
- Salads made on site
- Sandwiches/subs prepared on site
- Bakery items cooked/baked on site
- Coffee brewed on site
- Popcorn made on site
- Ice cream prepared or served on site
- Seafood steamed/cooked on site
- Grilled hamburgers and hot dogs, pizza, nachos, chicken, etc.
- Packaged dinners cooked on site (Thanksgiving Dinner, etc.)
- Fountain drinks
- Any food prepared, modified, or cooked on site by an employee or contractor
- Any prepared foods or meals that are subject to South Carolina Sales Tax
- Any served beverage, including beer, wine, and liquor

*This list serves as an example only and is not an all-inclusive list of taxable items.

What items are exempt from the tax?

- Cold, canned or bottled drinks in a vending machine on site
- Consolidating fruit into a basket (Fruit baskets)
- Prepackaged items (not prepared or modified on site) consolidated into a larger container to make one package (Gift Basket)
- Packaged dinners that are not cooked or modified on site
- Ready-to-eat prepackaged food that a customer re-heats on site (Customer is making the food consumable)
- Prepackaged cans, boxes, or jars of food
- Bags of chips, pretzels, nuts, candy or other prepackaged food items

*This list serves as an example only and is not an all-inclusive list of exempt taxable items.

SPARTANBURG COUNTY LOCAL HOSPITALITY TAX REGISTRATION FORM

Please complete this information in its entirety

Hospitality Tax Division
366 North Church Street Room 900
Spartanburg, SC 29303
(864)596-3202

Business Information

Business Name _____

Business Location _____

Mailing Address _____

Business Phone _____ Business Fax _____

Date Business Opened _____

Reporting Status: _____ Monthly _____ Quarterly _____ Annually

Federal Tax ID# _____ SC sales & Use Tax # _____

Is food your primary business? _____ Yes _____ No

Is business seasonal? _____ No _____ Yes, months operational: _____

Please briefly categorize your business _____

(Examples: Bar and Grill/Café or Diner/Fast Food/Family Restaurant/Ethnic/Convenience Store/Grocery/BBQ, etc.)

Owner Information

Owner or Corporate Name _____

Address _____

Email _____

Phone _____ Cell Phone _____

Hospitality Tax Contact Information

(Complete this section only if contact is not the owner. Ex: Accountant)

Name _____

Mailing Address _____

Phone _____

Email _____

Applicant Information

I certify that all information on this registration form, including any attachments, is true and accurate.

Signature of Applicant: _____

Printed Name of Applicant: _____

Title of Applicant: _____ Date: _____



SPARTANBURG COUNTY

LOCAL HOSPITALITY TAX

REPORTING AND COMPUTATION FORM

NOTICE: A COPY OF YOUR STATE SALES TAX RETURN SHOULD BE SENT WITH YOUR REMITTANCE.

Year: _____

Business Name: _____

Location Address: _____

Hospitality Tax Registration#: _____

Reporting Period:

The Local Hospitality Tax Act requires that taxes be remitted to Spartanburg County on a Monthly basis when the estimated amount of average tax is more than fifty (\$50.00) dollars a month, on a Quarterly basis when the estimated amount is twenty-five (\$25) to fifty (\$50) dollars a month and Annually when the estimated amount of average tax is less than twenty-five (\$25) dollars a month.

Monthly (Please check one)

- ____ January ____ July
- ____ February ____ August
- ____ March ____ September
- ____ April ____ October
- ____ May ____ November
- ____ June ____ December

Quarterly (Please check one)

- 1st Quarter (Jan., Feb. and March)
- 2nd Quarter (April, May and June)
- 3rd Quarter (July, Aug. and Sept.)
- 4th Quarter (Oct., Nov. and Dec.)

Annually

Computation of Local Hospitality Taxes Due to Spartanburg County:

1. Gross Sales of Food and/or Beverages ²	1.
2. Computation of 2% Local Hospitality Tax (Line 1 x .02)	2.
3. Penalty if remitting after the 20 th of month (Line 2 x .05)	3.
4. Total Penalties: (#Months Past Due) x (Line 3) [*]	4.
TOTAL LOCAL HOSPITALITY TAXES DUE (Add Lines 2 and 4)	\$

****Note the change on line 4. Late penalties will be charged based on the number of months the payment is past due. Payments are delinquent on the 21st of the following month.***

I certify that all information on this form, including any attachments, is a true and accurate report.

Signature: _____ Date: _____

Title: _____ Telephone Number _____

PLEASE MAKE CHECKS PAYABLE TO: SPARTANBURG COUNTY
MAILING ADDRESS: Spartanburg County Hospitality Tax Division · P. O. Box 5666 · Spartanburg, SC 29304
PHONE: (864) 596-3202 or (864) 562-4416

² This return covers the period through the last day of the month.
 If using 13 period accounting cycle, contact this office for instructions.



SPARTANBURG COUNTY LOCAL HOSPITALITY TAX EXEMPTION FORM

If your establishment does not sell prepared meals and/or beverages intended for immediate consumption, please complete this form and sign below. Return this form to Spartanburg County Government.

Business Name: _____

Physical Address: _____

Telephone Number: _____

I certify that the above referenced establishment within Spartanburg County does not have for sale prepared meals and/or beverages intended for immediate consumption.

Signature: _____

Name/Title of Person Completing Form: _____

Date: _____

Telephone Number: _____

Spartanburg Hospitality Tax Division 366 N. Church St. Room 900 Spartanburg, SC
Mail: Spartanburg Hospitality Tax Office P.O. Box 5666 Spartanburg, SC 29304

Spartanburg County Hospitality Tax Division

BUSINESS CHANGE NOTIFICATION FORM

Please complete (print) the applicable information and sign below.

Current Business (DBA): _____

Name: _____

Hospitality Tax Registration#: _____

BUSINESS SOLD/NEW OWNER(S)

Business Sold: _____

New Owners: _____

Address: _____

Phone Number: _____

BUSINESS PERMANENTLY CLOSED

Date of Sale: _____

Date of Closure: _____

CHANGE OF BUSINESS LOCATION ONLY

Date of Change: _____

New Location Address: _____

OTHER BUSINESS CHANGES

Date of Change: _____

New Corporation - Name: _____

Phone # or E-mail Address: _____

New Contact Person: _____

Change in Mailing Address: _____

Change in Business Name Only - New Name: _____

The information below is required. Please sign and return

Signature: _____

Printed Name: _____ Title: _____

Address: _____

Date: _____ Phone: _____

Spartanburg Hospitality Tax Division 366 N. Church St. Room 900 Spartanburg, SC
Mail: Spartanburg Hospitality Tax Office, P.O. Box 5666, Spartanburg, SC 29304

AN ORDINANCE TO ESTABLISH AND COLLECT A LOCAL HOSPITALITY TAX IN SPARTANBURG COUNTY, SOUTH CAROLINA.

WHEREAS, Spartanburg County, South Carolina (the "County") wishes to further develop tourism and tourism related activities through the capital construction and enhancement of facilities that serve tourists who visit the county; and

WHEREAS, Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), authorizes local governing bodies by ordinance to impose a Local Hospitality Tax (as defined herein) not to exceed two percent (2%) on the gross proceeds of sales of prepared meals and beverages; and

WHEREAS, the County finds that a Local Hospitality Tax upon the sales of prepared meals and beverages sold in establishments in the County will result in revenues that will be used for the dedicated purpose of improving services and facilities for tourists and the citizens of the County, which constitutes a public purpose of the County; and

WHEREAS, the County finds that projects and similarly related expenditures as denoted in Exhibit A of the attached constitute an appropriate use of proceeds derived from Hospitality Tax Revenue;

BE IT THEREFORE ORDAINED BY SPARTANBURG COUNTY COUNCIL:

SECTION 1. Definitions

County means Spartanburg County, South Carolina and all of the unincorporated areas and the incorporated municipalities within the geographical boundaries of Spartanburg County, South Carolina.

Local Hospitality Tax means a tax on the sales of prepared meals and beverages sold in establishments within the County.

Obligations means bonds, certificates of participation, leases or other forms of obligations approved by the County Council of the County payable or secured by the proceeds of the Local Hospitality Tax issued to defray the cost of one or more projects authorized under this Ordinance and the Act.

Prepared meals and beverages means the products sold ready for consumption either on or off premises in businesses classified as eating and drinking places under the Standard Industrial Code Classification Manual and including but not limited to lunch counters and restaurant stands; restaurants, lunch counters, and drinking places operated as a subordinate facility by other establishments; convenience stores, grocery delicatessens, and bars and restaurants owned by and operated for members of civic, social, and fraternal associations.

SECTION 2. Local Hospitality Tax

A Local Hospitality Tax is hereby imposed on the sales of prepared meals and beverages sold in establishments within the County. The Local Hospitality Tax shall be in an amount equal to two percent (2%) of the gross proceeds of sales of prepared meals and beverages sold in establishments located within the unincorporated areas of the County. The Local Hospitality Tax shall be in an amount equal to one percent (1%) of the gross proceeds of sales of prepared

food and beverages sold in establishments located within the boundaries of any incorporated municipalities within the County which have not imposed a local hospitality tax prior to January 1, 2008. Provided, however, the County shall not impose a local hospitality tax on those municipalities that have adopted a two percent (2%) Local Hospitality Tax prior to January 1, 2008; further, provided, however that the cumulative rate of the County and municipal Local Hospitality Taxes imposed for any portion of the County may not exceed two percent (2%).

SECTION 3. Payment of Local Hospitality Tax

(a) Payment of the Local Hospitality Tax established herein shall be the liability of the consumer of the prepared meals and beverages. The Local Hospitality Tax shall be paid at the time of purchase of prepared meals and beverages to which the Local Hospitality Tax applies, and shall be collected by the provider of prepared meals and beverages (also known as the "provider of the services" or "service providers"). The County shall promulgate a form of return that shall be utilized by the provider of the services to calculate the amount of the Local Hospitality Tax collected and due to the County. This form shall contain a sworn declaration as to the correctness thereof by the provider of the services.

(b) The Local Hospitality Tax provided for in this Ordinance must be remitted to the County on a monthly basis when the estimated amount of average Local Hospitality Tax is more than fifty dollars (\$50.00) a month, on a quarterly basis when the estimated amount of average Local Hospitality Tax is twenty-five dollars (\$25.00) to fifty dollars (\$50.00) a month, and on an annual basis when the estimated amount of average Local Hospitality Tax is less than twenty five dollars (\$25.00) a month. The closing date for monthly payments is the last day of the month; the closing dates for quarterly payments are the last days of the months of March, June, September and December, and the closing date for annual payments is the last day of December.

(c) The provider of the services shall remit the Local Hospitality Tax collected, when due, to the County by the 20th day of the month following the closing date of the period for which the Local Hospitality Tax payment is to be remitted. A payment is considered to be timely remitted to the County if the return has a U.S. Mail postmark date on or before the date the report form is due. If the 20th day of the month falls on a Sunday or postal service holiday, then payments postmarked on the next business day will be accepted as timely filed.

SECTION 4. Local Hospitality Tax Special Revenue Fund

An interest-bearing, segregated and restricted account to be known as the "Spartanburg County Local Hospitality Tax Special Revenue Fund" (the "Fund") is hereby established. All revenues received from the Local Hospitality Tax shall be deposited into the Fund. The principal and any accrued interest in the Fund shall be expended only as permitted by this Ordinance and the Act.

SECTION 5. Distribution of Funds

The County Council of the County shall distribute amounts in the Fund in accordance with the breakdown and listing appearing in Exhibit A attached hereto; provided, however, that such purposes are permitted under the Act. These purposes include but are not limited to tourism related capital projects, the support of tourism and tourist services in a manner that will best serve the tourists from whom it was collected including being used as a funding source to pay Obligations issued by the County for public purposes. It shall be the responsibility of the

County Council and the County Administrator as their designee to ensure that any and all money expended from the Fund shall be spent for the purposes permitted under the Act.

It is the intent of County Council to pursue the capital projects and operational expenditures enumerated in Exhibit A. Additionally, amounts in the Fund may be expended pursuant to the Act in order to finance projects appearing in Exhibit A.

The amounts in the Fund, including investment earnings accumulated therein, shall be allocated, subject to annual appropriation by the County Council, in the following manner:

- (1) Should Local Hospitality Tax funds be used to defray the cost of Obligations, the amount necessary for debt service shall take precedence over all allocations;
- (2) If any balance remains, then to provide for expenditures related to operational and maintenance costs and for the provisions of additional County services including but not limited to law enforcement, traffic control, emergency management and emergency medical services which enhance the ability of the County to attract and provide for tourists. The funds must not be used as an additional source of revenue to provide services normally provided by the County, and provided that the amount of accommodations taxes collected annually in the County pursuant to Section 12-36-920 of the Code of Laws of South Carolina 1976, as amended, is less than nine hundred thousand dollars, then the amount of Local Hospitality Tax Funds used for operation and maintenance as described in this subsection (2) cannot exceed twenty percent (20%) of the Local Hospitality Tax revenue collected in the preceding fiscal year; and
- (3) The remaining balance, plus interest earned shall be allocated to provide for expenditures related to operating and maintenance costs associated with tourism related programs and to defray the cost of capital projects that qualify for such funds under the Act and this Ordinance.

SECTION 6. Oversight and Accountability

Any organization or agency receiving Local Hospitality Tax funds must submit a report of expenditures and the impact on tourism for the preceding calendar year and a plan for the upcoming year to the County Administrator on or before March 1 of each year. Such report shall be on a form provided by the County

SECTION 7. Inspections, Audits and Administration

For the purpose of enforcing the provisions of this Ordinance, the County Administrator or other authorized agent of the County is empowered to require annual registration of businesses operating in the County for purposes of determining the applicability of this Ordinance, enter upon the premises of any person subject to this Ordinance and to make inspections and to examine and audit books and records. It shall be unlawful for any person to fail or refuse to make available the necessary books and records during normal business hours upon twenty-four (24) hours' notice. In the event that an audit reveals that the provider of the services has filed false information, the costs of the audit shall be added to the correct amount of Local Hospitality Tax determined to be due. All operational and administrative costs associated with the billing and collection of the Local Hospitality Tax will be charged to the Fund. The County Administrator or other authorized agent of the County may make systematic inspections of all service providers that are governed by this Ordinance to ensure compliance with this Ordinance. Records of inspections shall not be deemed public records.

SECTION 8. Violations and Penalties

- (a) It shall be a violation of this Ordinance to:
1. fail to collect the Local Hospitality Tax as provided in this Ordinance,
 2. fail to remit to the County the Local Hospitality Tax collected, pursuant to this Ordinance, or
 3. knowingly provide false information on the form of return submitted to the County, or
 4. fail to provide books and records to the County Administrator or other authorized agent of the County for the purpose of an audit upon twenty four (24) hours' notice.
- (b) Any unpaid assessment of Hospitality Tax shall be subject to a five percent (5%) per month penalty, charged on the original amount of the Local Hospitality Tax due.
- (c) Any person violating any provision of this ordinance shall be guilty of a misdemeanor and, upon conviction, shall be punished by a fine not to exceed Two Hundred and No/100 (\$200.00) Dollars or imprisoned for a term of not to exceed thirty (30) days.

Section 9. Obligations

So long as any Obligation is outstanding that the County has designated as being secured by or payable from the Local Hospitality Tax, the Local Hospitality Tax shall continue to be collected by the County.

Section 10. Severability

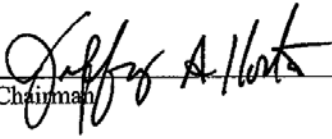
If any section, subsection, or clause of this ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

Section 11. Effective Date

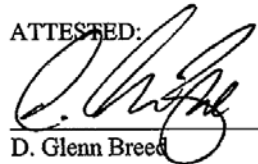
This Ordinance shall become effective upon third reacting. The Local Hospitality Tax shall commence being collected by the providers of the services on January I, 2008, and remittance of the Local Hospitality Tax shall commence in the manner referenced in Section 3 herein.

DONE IN MEETING DULY ASSEMBLED THIS 15TH DAY OF OCTOBER, 2007.

SPARTANBURG COUNTY COUNCIL

By: 
Chairman

ATTESTED:


D. Glenn Breed
County Administrator

First Reading: August 20, 2007
Second Reading: September 17, 2007
Public Hearing: September 17, 2007
Third Reading: October 15, 2007

EXHIBIT A

LOCAL HOSPITALITY TAX REVENUES

PROJECT AND EXPENDITURE LIST

CAPITAL PROJECTS DESCRIPTION

Regional Park Development including but not limited to Va-Du-Mar Park (est. value \$6.9 million), West Spartanburg Park (est. value \$18.9 million), Holston Creek Park (est. value \$12 million), Pacolet River Park (est. value \$4.3 million), projects associated with acquisition of waterway access and recreational trail development (est. value \$3.3 million), and those capital improvements permissible according to provisions of Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended and authorized within the Spartanburg County Capital Improvement Plan.

ELIGIBLE OPERATING COSTS

Those costs and expenditures permitted by and subject to provisions of Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended which may include appropriated allocations to the Spartanburg County Parks and Recreation Commission, public safety operations, hospitality tax administration, and operational costs related to capital projects, **AND COMMUNITY BASED ORGANIZATIONS.**

Contact Information

Spartanburg County Government Offices
366 N. Church Street Room 900
Spartanburg, SC 29303

Mailing Address:

Spartanburg County Hospitality Tax Division
PO Box 5666
Spartanburg, SC 29304

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864/596-3202

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Please visit our website at: www.spartanburgcounty.org

