



Hospitality Tax Information

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What It Is

1. In July 2003, Richland County Council approved the Hospitality Tax requirement for businesses. This requirement is authorized in the Richland County Code of Ordinances Section 23-65.
2. The Hospitality Tax applies to all *gross* receipts collected on sales of prepared or modified meals, food, and beverages. It applies to restaurants, convenience stores, fast food outlets, grocery stores, *and any other* business preparing and/or serving food and/or beverages. The tax applies whether or not the food/beverage is for dine-in or take-out.
3. The Hospitality Tax is two percent (2%) within the unincorporated areas of Richland County (outside any city limits) and is imposed on businesses furnishing food and beverage services, whether dine in or take out, in the unincorporated areas of Richland County. The total tax rate for these businesses is 10%

The Hospitality Tax is one percent (1%) within the town limits of Eastover and in that portion of Irmo which is in Richland County. It is imposed on businesses with food and beverage services, whether dine in or take out, in this area of Richland County.

Purchase Type	Unincorporated Richland County	Town Limits of Eastover	Town Limits of Irmo, Richland County portion
Foods/Beverages (nothing pre-packaged, all prepared meals and beverages)	Total: 10%	Total: 9%	Total: 10%
	State Sales: 6%	State Sales: 6%	State Sales: 6%
	Local Option: 1%	Local Option: 1%	Local Option: 1%
	Transport Penny: 1%	Transport. Penny: 1%	Transport. Penny: 1%
	Hospitality Tax: 2%	RC Hospitality Tax: 1%	RC Hospitality Tax: 1% Irmo Hospitality Tax: 1% (paid to Town of Irmo)

- NOTE! Other taxes may apply, such as liquor taxes, so please confirm the tax rate for your business with the State Department of Revenue.
- Please be aware that, while a business may be exempt from remitting State sales taxes, this does not affect County taxes. The County has no exemptions from its taxes.

4. Businesses, such as caterers, *which prepare or modify foods or beverages in the unincorporated County areas*, are responsible for paying Hospitality Tax fees (and any applicable penalties) to the County based on the gross revenue generated by these food or beverage goods. (The location of the preparation determines the Hospitality Tax.)
5. Schools, daycares, and community care facilities owe Hospitality Taxes only on revenues generated by the sale of food/beverages to employees, to visitors or the public, or are sold separately to clients.
6. Non-profits: The Hospitality Tax ordinance does not provide for any exemptions to the requirement to collect and remit Hospitality Taxes. This means all businesses and organizations, whether they are for-profit, non-profit, or IRS 501(c), must collect and remit Hospitality Taxes.

Liability and Payments

7. Payment of the Hospitality Tax is the liability of the consumer of the services, and shall be paid at the time of delivery of the services to which the tax applies.
8. Collection and remittance of the Hospitality Tax is the responsibility of the business.
9. Businesses must submit three items for processing of Hospitality Tax payments:
 - a check for the proper amount, including fees and any applicable penalties, payable to Richland County
 - a copy of the State Sales Tax return (or other document approved by the Business Service Center Director), except where Hospitality Taxes are remitted more frequently than Sales Taxes are remitted to the State Department of Revenue, and
 - an original, *unaltered* voucher form for the appropriate reporting period.
10. Failure to submit all three items together will result in all documents being returned, and penalties will accrue at 5% per month until all documents are returned properly. If not all sales reported on the Sales Tax Return are from the sale of prepared/modified foods/ beverages, the business also needs to identify the amount of sales from prepared/modified foods/beverages.
11. No altered vouchers are accepted. New, paper vouchers may be obtained upon request, by completing a Hospitality Tax Update Form. However, personalized vouchers may be obtained online at <https://www6.richlandcountysc.gov/htaxpaymentvoucher/default.aspx>. If a business submits an altered voucher, all submitted documents and payments will be returned and the 5% per month penalty will apply until all documents are returned and accepted.
12. Hospitality Taxes are due on the 20th of the month following the reporting period. Failure to pay on time carries a penalty of 5% per month, charged on the original amount due. (*Businesses using a 13 month financial period are also required to meet this deadline.*)
13. Hospitality Tax payment frequencies may be adjusted at the beginning of each calendar year – but only after a review of the prior year’s average monthly gross revenue (from sales subject to the Hospitality Tax).
14. Payment frequency is based on average monthly revenue. Payment frequency is set by State law as indicated below. Businesses wishing to pay more frequently may do so.

Average Monthly <i>Gross</i> Revenue (from Hospitality Taxable Items)	Average Monthly Payment	Hospitality Tax Payment Frequency
More than \$2,500	More than \$50.00	Monthly
\$1,250 - \$2,500	\$25.00 - \$50.00	Quarterly
Less than \$1,250	Less than \$25.00	Annually

However, new businesses will be initially enrolled to pay monthly the first year.

15. This payment frequency may or may not correspond to the frequency that sales taxes are remitted to the SC Department of Revenue. If State sales taxes are remitted less frequently than County Hospitality Tax payments, copies of State Sales Tax returns shall be submitted to the County each time the Sales Tax returns are submitted to the State. (Payments to the County in between payments to the State that are submitted without these Sales Tax returns will be accepted only in these cases.)
16. Each voucher must be signed by the preparer. The preparer's signature certifies that all information submitted is correct and in accordance with the requirements of the Richland County Hospitality Tax Ordinance.
17. Businesses with zero revenue must still return that period's voucher form. This will avoid the appearance of delinquency. This includes schools, businesses undergoing renovations, or other situations where zero revenue has been generated.

Delinquent Payments

18. Businesses with delinquent Hospitality Tax balances are responsible for paying for those balances, with all applicable penalties. Periods with no payments made will also accrue penalties until revenue is documented and applicable taxes and penalties are paid.
19. Businesses with Hospitality Tax balances due or payments missing altogether must pay the balances or payments in full before a business license will be issued. Penalties will accrue on the Hospitality Tax payments and the business license payment until the Hospitality Tax payments are paid in full.
20. Businesses wishing to pay Hospitality Taxes for previously unpaid months must submit with their payment a copy of the State Sales Tax return for those unpaid months for revenue documentation purposes. Failure or inability to provide this documentation will result in assessment of revenue for that period.

Vouchers for these delinquent months must be obtained online at:

<https://www6.richlandcountysc.gov/htaxpaymentvoucher/default.aspx>, as the online vouchers will calculate the proper tax and penalties due. (Businesses with signed payment plans, however, will be provided with paper vouchers for the delinquent months covered by the payment plan.)

21. Businesses unable to pay their balances in full may request a Hospitality Tax Payment Plan. This allows a business to pay its balance over time. (The method of calculation is now to pay the taxes first, and then pay the penalties.) However, the **current** Hospitality Tax payments due **must** also be paid at the same time, to ensure the business will become current. A Payment Plan Agreement must be signed in order to begin a payment plan. A business will be given only ONE payment plan in its lifetime.
22. To obtain a current business license, all balances, including any applicable late fees, must be paid in full on or before each April 30. Any businesses remaining delinquent after this date will continue to accrue Hospitality Tax and business license penalties until the balance is paid and the business license is renewed.
23. Businesses with bounced Hospitality Tax checks must pay these amounts, with penalties, with certified funds, and will not be able to obtain a current business license until the balance is paid in full. Business license penalties will accrue after April 30.
24. Penalties accrue at 5% *per month*, starting on the first business day following the 20th of each month, unless the 20th is on a weekend or a holiday. Penalties are not compounded, but are 5% of the original amount due.
25. Penalties can be waived only in the certain rare, documented circumstances. This includes events such as being called up to active military duty, catastrophic illness/death, fire/flood/natural disaster, etc. If any of these or similar exceptional circumstances apply, please notify the Business Service Center staff.

Changes to the Business

26. If a business has moved to a new location and owed Hospitality Taxes from the previous location, the business will not be able to obtain a current business license until the balance is paid in full. Business license penalties will accrue after April 30.
27. If the business has changed ownership and the previous owner was delinquent in paying Hospitality Taxes, *the new owner is responsible for paying the unpaid balance*. The business will not be able to obtain a current business license until the unpaid balance is paid in full. Business license penalties will accrue beginning April 30.
28. Changing the business name does not remove any liabilities that the business may have incurred under the previous business name.

Other Requirements

29. Business licenses are required for businesses doing business in the unincorporated areas of the County, for the current year and the three prior years, or when the business opened, whichever is later, with penalties at 5% per month. The deadline to obtain a current business license without penalty is April 30. (Schools, however, are exempt.)
30. Independent contractors are required to obtain their own business license. Please verify that any independent contractors have their own business license.

Enforcement

31. If a business' total annual reported Hospitality Tax revenues do not coincide with the reported business license revenues or the reported sales revenues for the same year, the business is subject to be audited, with all applicable penalties applied.
32. Businesses may have revenues assessed for months for which no Hospitality Taxes have yet been paid and for which businesses fail or are unable to provide copies of State Sales Tax returns to document revenue in order to determine the amount of Hospitality Tax fees and penalties due. Any business requesting to have the assessment adjusted must request such adjustment within ten business days and provide revenue documentation for the month in question.
33. Any person violating the Hospitality Tax ordinance shall be deemed guilty of a misdemeanor and upon conviction shall be subject to a *fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both. Each day of violation shall be considered a separate offense*. Punishment for violation shall not relieve the offender of liability for delinquent fees, penalties, and costs provided for herein.

For more information, the Hospitality Tax ordinances may be found online at:
<http://www.richlandcountysc.gov/Businesses/Running-a-Business/Hospitality-Tax-Information>