

ARTICLE VI. LOCAL HOSPITALITY TAX

Sec. 23-65. Definitions.

Whenever used in this article, unless a contrary intention is clearly evidenced, the following terms shall be interpreted as herein defined.

Local hospitality tax. A tax on the sales of prepared meals and beverages sold in establishments or sales of prepared meals and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer, or wine, within the incorporated municipalities and the unincorporated areas of the county.

Person. Any individual, firm, partnership, LLP, LLC, cooperative, nonprofit membership, corporation, joint venture, professional association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principals.

Prepared meals and beverages. 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 lunch counters and restaurant stands; restaurants, lunch counters, and drinking places operated as a subordinate facility by other establishments; and bars and restaurants owned by and operated for members of civic, social, and fraternal associations.

Richland County. The county and all of the unincorporated areas within the geographical boundaries of the county and all of the incorporated municipalities of the county.

(Ord. No. 025-03-HR, § I, 5-6-03; Ord. No. 040-10HR, § I, 7-6-10; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-66. Local hospitality tax.

A local hospitality tax is hereby imposed on the sales of prepared meals and beverages sold in establishments within the incorporated municipalities and the unincorporated areas of 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 and within the boundaries of the incorporated municipalities which have consented, by resolution adopted by their governing body, to the imposition of the local hospitality tax in the amount of two percent (2%). 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 the incorporated municipalities within the county which do not give their consent to the imposition of the local hospitality tax. 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 July 1, 2003. Effective July 1, 2009 through June 30, 2011, the county shall temporarily reduce the local hospitality tax to one percent (1%) of the gross proceeds of sales of prepared meals and beverages sold in establishments located within the unincorporated areas of the county. This temporary suspension shall not affect the hospitality tax rates within the boundaries of any incorporated municipality.

(Ord. No. 025-03-HR, § I, 5-6-03; Ord. No. 016-09HR, § I, 7-1-09; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-67. Payment of local hospitality tax.

(a) Payment of the local hospitality tax established herein shall be the liability of the consumer of the services. The tax shall be paid at the time of delivery of the services to which the tax applies, and shall be collected by the provider of the services. The county shall promulgate a form of return that shall be utilized by the provider of services to calculate the amount of local hospitality tax collected and due. This form shall contain a sworn declaration as to the correctness thereof by the provider of the services.

(b) The tax provided for in this article must be remitted to the county on a monthly basis when the estimated amount of average tax is more than fifty dollars (\$50.00) a month, on a quarterly basis when the estimated amount of average 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 tax is less than twenty-five dollars (\$25.00) a month.

(c) The provider of services shall remit the local hospitality tax voucher form, a copy of the State of South Carolina sales tax computation form and/or other approved revenue documentation, and the hospitality taxes when due, to the county on the 20th of the month, or on the next business day if the 20th is not a business day.

(Ord. No. 025-03-HR, § I, 5-6-03; Ord. No. 010-08HR, § I, 3-4-08; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-68. Local Hospitality Tax Special Revenue Fund.

An interest-bearing, segregated and restricted account to be known as the "Richland County Local Hospitality Tax Revenue Fund" is hereby established. All revenues received from the local hospitality tax shall be deposited into this fund. The principal and any accrued interest in this fund shall be expended only as permitted by this article.

(Ord. No. 025-03-HR, § I, 5-6-03; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-69. Distribution of funds.

(a) (1) The county shall distribute the local hospitality tax collected and placed in the "Richland County Local Hospitality Tax Revenue Fund" to each of the following agencies and purposes ("agency") in amounts as determined by county council annually during the budget process:

Columbia Museum of Art
Historic Columbia
EdVenture Museum
County Promotions
Township Auditorium

(2) The amounts distributed to the Columbia Museum of Art, Historic Columbia, EdVenture Museum, and the Township Auditorium shall be paid quarterly. The amount distributed to organizations receiving county promotions shall be paid to the organization as a one-time expenditure.

(3) As a condition of receiving its allocation, the Columbia Museum of Art, Historic Columbia, EdVenture Museum, and the Township Auditorium must annually submit to the county an affirmative marketing plan outlining how the agency will use its hospitality tax allocation for tourism promotion in the upcoming fiscal year. The plan shall include a detailed project budget which outlines the agency's proposed use of hospitality tax funds. The marketing plan shall also outline how the agency will promote access to programs and services for all citizens of Richland County, including documentation of "free" or discounted services that will be offered to Richland County residents. In addition, each agency shall demonstrate a good faith effort to expand programs and events into the unincorporated areas of Richland County. The annual marketing plan shall be due to the grants manager no later than March 1 of each year. If an agency fails to comply with these requirements, its portion of the local hospitality tax shall be retained in the Richland County Local Hospitality Tax Revenue Fund and distributed as provided in Section [23-69\(b\)](#) below.

(4) For the amounts distributed under the county promotions program, funds will be distributed with a goal of seventy-five percent (75%) dedicated to organizations and projects that generate tourism in the unincorporated areas of Richland County and in municipal areas where hospitality tax revenues are collected by the county. These shall include:

a. Organizations that are physically located in the areas where the county collects hospitality tax revenues, provided the organization also sponsors projects or events within those areas;

b. Organizations that are not physically located in the areas where the county collects hospitality tax revenues; however, the organization sponsors projects or events within those areas; and

c. Regional marketing organizations whose primary mission is to bring tourists to the region, including the areas where the county collects hospitality tax revenues.

(b) All local hospitality tax revenue not distributed pursuant to Section 23-69(a) above shall be retained in the Richland County Local Hospitality Tax Revenue Fund and distributed as directed by county council for projects related to tourism development, including, but not limited to, the

planning, development, construction, promotion, marketing, operations, and financing (including debt service) of expenditures as provided in S.C. Code 1976, Article 7, Chapter 1, Title 6, as amended.

(Ord. No. 025-03-HR, § I, 5-6-03; Ord. No. 081-06HR, § I, 9-12-06; Ord. No. 001-08HR, § I, 1-8-08; Ord. No. 069-08HR, § I, 12-2-08; Ord. No. 016-09HR, § II, 7-1-09; Ord. No. 077-09HR, § I, 12-15-09; Ord. No. 059-10HR, § I, 9-21-10; Ord. No. 073-13HR, § I, 12-10-13; Ord. No. 061-14HR, § I, 11-18-14; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-70. Oversight and accountability.

(a) The following organizations: the Columbia Museum of Art, Historic Columbia, EdVenture Museum, and the Township Auditorium must submit a mid-year report by January 31 and a final report by July 31 of each year to the Richland County grants manager, which includes a detailed accounting of all hospitality tax fund expenditures and the impact on tourism for the preceding fiscal year, including copies of invoices and proof of payment. The county shall not release hospitality tax funds to any agency unless that agency has submitted an acceptable final report for the previous fiscal year. If an agency fails to comply with these requirements by the July 31 deadline, its portion of the local hospitality tax shall be retained in the Richland County Local Hospitality Tax Revenue Fund and may be distributed as provided in Section [23-69\(b\)](#).

(b) Any organization receiving county promotions funding must comply with all requirements of this article, as well as any application guidelines and annual reporting requirements as established by council, to include a detailed reporting of all grant expenditures.

(Ord. No. 025-03-HR, § I, 5-6-03; Ord. No. 001-08HR, § II, 1-8-08; Ord. No. 069-08HR, § II, 12-2-08; Ord. No. 016-09HR, § III, 7-1-09; Ord. No. 059-10HR, § II, 9-21-10; Ord. No. 061-14HR, § II, 11-18-14; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-71. Inspections, audits and administration.

(a) For the purpose of enforcing the provisions of this article, the county administrator or other authorized agent of the county is empowered to enter upon the premises of any person subject to this article and to make inspections, examine, and audit books and records.

(b) 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 written notice. In the event that an audit reveals that the remitter has filed false information, the costs of the audit shall be added to the correct amount of tax determined to be due.

(c) The county administrator or other authorized agent of the county may make systematic inspections of all service providers that are governed by this article. Records of inspections shall not be deemed public records.

(Ord. No. 025-03-HR, § I, 5-6-03; Ord. No. 040-10HR, § II, 7-6-10; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-72. Assessments and appeals of hospitality tax.

(a) When a person fails to pay or accurately pay their hospitality taxes or to furnish the information required by this article or by the business service center, a license official of the business service center shall proceed to examine such records of the business or any other available records as may be appropriate and to conduct such investigations and statistical surveys as the license official may deem appropriate to assess a hospitality tax and penalties, as provided herein.

(b) Assessments of hospitality taxes and/or penalties, which are based upon records provided by businesses, shall be conveyed in writing to businesses. If a business fails to provide records as required by this article or by the business service center, the tax assessment shall be served by certified mail. Within five (5) business days after a tax assessment is mailed or otherwise conveyed in writing, any person who desires to have the assessment adjusted must make application to the business service center for reassessment. The license official shall establish a procedure for hearing an application for a reassessment, and for issuing a notice of final assessment.

(c) A final assessment may be appealed to the county council, provided that an application for reassessment was submitted within the allotted time period of five (5) business days. However, if no application for reassessment is submitted within the allotted time period, the assessment shall become final.

(d) Requests for waivers of penalties, as described in Section [23-73\(b\)](#), shall be submitted to the business service center director simultaneously with corroborating documentation relating to the validity of the appeal within five (5) business days of receipt of a tax assessment. The director shall determine if the provided documentation confirms the circumstances permitting a waiver of penalties as described in the aforementioned section. A decision shall be provided in writing within five (5) business days of the receipt of the request. Businesses wishing to appeal the decision of the business service center director may appeal to the county council within five (5) business days of receipt of the director's decision.

(Ord. No. 010-08HR, § II, 3-4-08; Ord. No. 040-10HR, § III, 7-6-10; Ord. No. 073-14HR, § I, 12-9-14)

Sec. 23-73. Violations and penalties.

(a) It shall be a violation of this article to:

- (1) Fail to collect the local hospitality tax as provided in this article,
- (2) Fail to remit to the County the Local Hospitality Tax collected, pursuant to this Article,
- (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) The penalty for violation of this article shall be five percent (5%) per month, charged on the original amount of the local hospitality tax due. Penalties shall not be waived, except if the following circumstances of reasonable cause are proven by the person. No more than six (6) months of penalties shall be waived.

(1) An unexpected and unavoidable absence of the person from South Carolina, such as being called to active military duty. In the case of a corporation or other business entity, the absence must have been an individual having primary authority to pay the hospitality tax.

(2) A delay caused by death or serious, incapacitating illness of the person, the person's immediate family, or the person's accountant or other third party professional charged with determining the hospitality tax owed. In the case of a corporation or other business entity, the death or serious, incapacitating illness must have been an individual having primary authority to pay the hospitality tax.

(3) The hospitality tax was documented as paid on time, but inadvertently paid to another taxing entity.

(4) The delinquency was caused by the unavailability of necessary records directly relating to calculation of hospitality taxes, over which the person had no control, which made timely payment impossible. For example, the required records may have been destroyed by fire, flood, federally-declared natural disaster, or actions of war or terrorism. Unavailability of records caused by time or business pressures, employee turnover, or negligence are not reasonable cause for waiver of hospitality tax penalties.

(5) The delinquency was the result of clear error on the part of the business service center or treasurer's office staff in processing or posting receipt of the person's payment(s).

(6) Delay or failure caused by good faith reliance on erroneous guidance provided by the business service center or treasurer's office staff, so long as complete and accurate information was given to either of these offices, no change in the law occurred, and the person produces written documentation.

(c) Any person violating the provision of this article shall be deemed guilty of a misdemeanor and upon conviction shall be subject to punishment under the general penalty provision of Section [1-8](#) of this Code of Ordinances: that is, shall be subject to a fine of up to five hundred dollars (\$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 herein.

(Ord. No. 010-08HR, § III, 3-4-08; Ord. No. 040-10HR, § IV, 7-6-10; Ord. No. 073-14HR, § I, 12-9-14)

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