

CITY OF BENNETTSVILLE

Local Hospitality Tax Guide



City of Bennettsville

501 East Main Street / P.O. Box 1036

Bennettsville, SC 29512

(843) 479-9001

www.bennettsvillesc.com

LOCAL HOSPITALITY TAX GUIDE

- I. Letter to Business Owners
- II. Adopted Local Hospitality Tax Ordinance
- III. Hospitality Tax Registration Form
- IV. Local Hospitality Tax Reporting & Computation Form
- V. General Information / Frequently Asked Questions
- VI. Payment Remittance
- VII. Business Change Notification Form
- VIII. Local Hospitality Exemption Form
- IX. Contact Information





City of Bennettsville

Finance & Administration Office

501 East Main Street / P.O. Box 1036

Bennettsville, SC 29512

Telephone: (843) 479-9001 Ext. 323

Fax: (843) 479-1595

RE: LOCAL HOSPITALITY TAX

Dear Business Owner:

On August 1, 2003, the City of Bennettsville Council passed an Ordinance establishing a two percent (2%) local hospitality tax on prepared food, meals and/or beverages. The taxes are imposed on gross proceeds. The ordinance states that all affected businesses shall be responsible for collecting local hospitality taxes for the purpose of funding tourism within the city limits of Bennettsville.

Enclosed, please find your City of Bennettsville Local Hospitality Tax Ordinance, a List of Items Subject to or Excluded from Tax, a Business Change Notification Form and Contact Information.

If your establishment does not sell prepared food, meals and/or beverages intended for immediate consumption, please sign the attached local Hospitality Exemption Form and fax it to (843) 479-1595 or mail it to City of Bennettsville, Attn: Hospitality Tax, P.O. Box 1036, Bennettsville, SC 29512, and we will update our database.

Should you have any questions regarding the Local Hospitality Tax or require further information, please feel free to visit our website at www.cityofbennettsville.sc.com or call (843) 479-9001 ext. 323 or (843) 479-9001 ext. 311 and we will be glad to assist you.

Sincerely,

Tammy King
Accountant

Ordinance

STATE OF SOUTH CAROLINA)
)
COUNTY OF MARLBORO)
)
CITY OF BENNETTSVILLE)

ORDINANCE 03-07-01

AN ORDINANCE TO AMEND CHAPTER 110 OF THE CODE OF ORDINANCES FOR THE CITY OF BENNETTSVILLE, S.C. AS IT RELATES TO LICENSES AND MISCELLANEOUS BUSINESS REGULATIONS FOR THE PURPOSE OF ESTABLISHING A TWO PERCENT (2%) LOCAL HOSPITALITY TAX ON PREPARED FOOD AND BEVERAGES FOR IMMEDIATE CONSUMPTION OR TAKE OUT WITHIN THE CORPORATE LIMITS OF THE CITY OF BENNETTSVILLE

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BENNETTSVILLE:

Section 1. Findings

It is hereby found and declared by the City Council of the City of Bennettsville (City Council"), the governing body of the City of Bennettsville, South Carolina (the "City"):

1. Tourism is becoming a major industry in the City. The City supports this major industry and has implemented improvements in the downtown area of the City in order to revitalize and redevelop the City and to further attract tourists to the community.
2. Moreover, as the tourism industry grows and expands, the City must make provision to increase certain municipal services in order to accommodate the needs of tourists who visit from time to time in addition to the residents of Bennettsville.
3. The cost of providing the special services required by the tourism industry should be apportioned equitably between the City's residents and those who visit the City and enjoy the special benefits City provides to them. It is necessary for the promotion of the common interest of the residents of the City as well as those visitors to the City to provide a method to alleviate the added financial burden on City resources in providing the services and improvements needed to support tourism and the resulting transient population.
4. In order to raise the necessary sums to defray a portion of those added costs, it is appropriate to impose a charge, the receipts of which will pay costs related to (1) the provision of municipal services which serve such visitors or tourists and (2) capital projects which not only enrich the City's residents but also contribute to the tourism industry.
5. Cognizant of the need for municipalities to be given direct statutory authorization to raise money earmarked to defray such costs related to tourism, recreation, cultural and historic facilities, the South Carolina General Assembly adopted Act No. 138 during its 1997 Session, now codified, in part, as Sections 6-1-700 to 6-1-770 (the "Enabling Act") of the South Carolina Code of Laws of 1976, as amended (the "S.C. Code").
6. City Council finds its actions in (1) imposing a two percent (2%) hospitality tax upon prepared food and beverages sold for immediate consumption or take out from establishments within the corporate limits of the City and (2) segregating the collections received from such fees in order that such sums be utilized according to the Enabling Act.

Section 2. Authority

This chapter is enacted pursuant to the authority of Title 5 of the S.C. Code, including, without limitation S.C. Code Ann. Section 5-7-30 (Supp. 1999), which provide, in relevant part, that municipalities may adopt all ordinances which appear necessary and proper for the security, general welfare, and convenience of the municipality and for the preservation of the general health, peace, and order in the municipality and further that municipalities may establish uniform service charges.

Section 3. Declaration of purpose and Intent

This article is enacted to preserve the general health, safety, and welfare of the general public within the City of Bennettsville, South Carolina, by creating a uniform tax for the purpose of creating a fund for uses that are enumerated in Section 6-1-730 of the Code of Laws of South Carolina, as amended. This fund will be used to pay in whole or in part for current and future public park facilities; for capital expenditures to promote quality of life, tourism, recreation, cultural and historic structures, and to provide infrastructure and promotion for these projects.

Section 4. Imposition

A tax equal to two percent (2%) is hereby imposed on the gross proceeds derived from the sale of prepared food and beverages (for immediate consumption or take out) by a restaurant, hotel, motel, caterer or other food service facility within the city. In addition, the tax shall be imposed on all food and beverages prepared or modified in the city limits by convenience stores or grocery stores that have specified areas where food and beverages are prepared for immediate consumption or carry out. This tax applies to meals and beverages sold in establishments licensed for on-premise consumption of alcoholic beverages, beer, or wine. This tax does not apply to organizations that are exempt from collecting sales tax according to Section 12-36-2120 of the Code of Laws of South Carolina, as amended.

Section 5. Public Hearing

Pursuant to the provisions of Section 6-1-330 of the Code of Laws of South Carolina, 1976, as amended, a public hearing shall be held prior to the adoption of this Ordinance. All actions taken by the City Administrator in providing the required notice of said hearing are hereby approved and ratified.

Section 6. Payment of Tax

(a) Payment of the tax established herein shall be the liability of the consumer of the services for items described in Section 4. The tax shall be paid at the time of delivery of the services or items to which the fee applies and shall be collected by the provider or seller of the items.

(b) The tax collected by the seller or provider of the items as required under Section 4 shall be remitted to the City of Bennettsville as follows:

(1) On a monthly basis when the estimated amount of average collections is more than Fifty (\$50.00) Dollars a month (annual gross revenue in excess of \$20,000).

(2) On a quarterly basis when the estimated amount of average collections is between Twenty-Five (\$25.00) Dollars to Fifty (\$50.00) Dollars a month (annual gross receipts between \$10,000 to \$20,000).

(3) On an annual basis when the amount of average collections is less than Twenty-five (\$25.00) Dollars a month (annual gross receipts less than \$10,000).

(c) Total collections and required reports shall be submitted to the City of Bennettsville by the twentieth day of the month and shall cover sales for the previous month. A copy of the completed *South Carolina State Sales and Use Tax Return Form* (Form ST-3) shall be attached along with the required reports. When a hospitality tax is filed and the taxes due on it are paid in full on or before the final due date, the filer is allowed a discount of two (2) percent on the fees shown to be due by the return. Payments covered under the provisions of Section 6(b)(2) shall be submitted quarterly by the twentieth day of January, April, July and October for the previous quarterly sales or annually by January 20th for the calendar year sales as provided in Section 6(b)(3). Any collections not remitted by the above stated deadlines shall be subject to a penalty of five percent (5%) of the unpaid amount for each calendar month or portion thereof after the due date until paid. The failure to collect from patrons the amount imposed by this article shall not relieve any establishment subject to this article from making the required remittance.

(d) Any person violating this article shall be deemed guilty of an offense and shall be subject to punishment pursuant to the City's Code of Ordinances upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent amount, penalties, and costs provided for herein.

Section 7 Hospitality Tax Account

A fund or an account, to be known as the City of Bennettsville Local Hospitality Tax Fund shall be established, and all revenues received from the hospitality tax shall be deposited into this account. The principal and any accrued interest from this account shall be deposited into this account. The principal and any accrued interest from this account shall be expended only as permitted in Section 8 below.

Section 8 Permitted Uses of Funds

The City of Bennettsville, South Carolina is hereby authorized to utilize the funds collected from the imposition of the hospitality fee for the purposes enumerated in Section 6-1-730 of the State Code of Laws of South Carolina and as may be amended.

Section 9 Inspections and Audits

For the purpose of enforcing the provisions of this section the City's Finance Director or other authorized agent of the City is empowered to enter upon the premises of any person subject to this section to make inspection, examine, and/or audit the books and records, and it shall be unlawful for any person to fail or refuse to make available the necessary books and records. In the event that the audit or inspection reveals that the establishment has filed false information, the cost of the audit shall be added to the corrected amount due and late penalties in addition to other penalties provided herein. Each day of failure to pay the proper fee shall constitute a separate offense. The City Finance Director, or other authorized agent of the City, shall have authority to enter the business within the City to insure compliance with this section. Records of inspections and audits shall not be deemed public records and shall not be released by the City.

Section 10 Authorization

Authorization to utilize revenues from the Hospitality Tax Fund shall be by the annual budget ordinance duly adopted by the City Council.

Section 11 Severability

If any section, phrase, sentence or portion of this article is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such section, phrase, sentence or portion shall be deemed a separate, distinct, and independent provision and such holding shall not affect the validity of the remaining sections, phrases, sentences, or portions thereof.

Section 12 Effective Date

This Ordinance shall become effective on August 1, 2003.

ARTICLE 7. LOCAL HOSPITALITY TAX

SECTION 6-1-700. Short title. [SC ST SEC 6-1-700]

This article may be cited as the "Local Hospitality Tax Act".

SECTION 6-1-710. Definitions. [SC ST SEC 6-1-710]

As used in the article:

- (1) "Local governing body" means the governing body of a county or municipality.
- (2) "Local hospitality tax" is 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.
- (3) "Positive majority" means a vote for adoption by the majority of the members of the entire governing body, whether present or not. However, if there is a vacancy in the membership of the governing body, a positive majority vote of the entire governing body as constituted on the date of the final vote on the imposition is required.

SECTION 6-1-720. Imposition of local hospitality tax. [SC ST SEC 6-1-720]

SECTION 6-1-730. Use of revenue from local hospitality tax. [SC ST SEC 6-1-730]

(A) The revenue generated by the hospitality tax must be used exclusively for the following purposes:

- (1) tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums;
- (2) tourism-related cultural, recreational, or historic facilities;
- (3) beach access and renourishment;
- (4) highways, roads, streets, and bridges providing access to tourist destinations;
- (5) advertisements and promotions related to tourism development; or
- (6) water and sewer infrastructure to serve tourism-related demand.

(B) In a county in which at least nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12-36-920, the revenues of the hospitality tax authorized in this article may be used for the operation and

maintenance of those items provided in (A)(1) through (6) including police, fire protection, emergency medical services, and emergency-preparedness operations directly attendant to those facilities.

SECTION 6-1-740. Cumulative rate of local hospitality tax. [SC ST SEC 6-1-740]

The cumulative rate of county and municipal hospitality taxes for any portion of the county area may not exceed two percent, unless the cumulative total of such taxes was in excess of two percent or were authorized to be in excess of two percent prior to December 31, 1996, in which case the cumulative rate may not exceed the rate that was imposed or adopted as of December 31, 1996.

SECTION 6-1-750. Local hospitality tax revenue upon annexation. [SC ST SEC 6-1-750]

In an area of the county where the county has imposed a local hospitality tax that is annexed by a municipality, the municipality must receive only that portion of the revenue generated in excess of the county local hospitality tax revenue for the previous twelve months in the area annexed.

SECTION 6-1-760. Ordinances prior to March 15, 1997; calculation; revenue. [SC ST SEC 6-1-760]

Notwithstanding any provision of this article, any ordinance enacted by county or municipality prior to March 15, 1997, imposing an accommodations fee which does not exceed the three percent maximum cumulative rate prescribed in Section 6-1-540, is calculated upon a base consistent with Section 6-1-510(1), and the revenue from which is used for the purposes enumerated in Section 6-1-530, remains authorized and effective after the effective date of this section and the enacting county or municipality is authorized to issue bonds, pursuant to Article X, Section 14(10) of the Constitution of this State, utilizing the procedures of Section 4-29-68, for the purposes enumerated in Section 6-1-530, and to retire such debt using the proceeds of such an accommodations fee ordinance and the pledge of such other nontax revenues as may be available for those purposes.

SECTION 6-1-770. Remitting tax to local governing body; frequency determined by estimated average amounts. [SC ST SEC 6-1-770]

The tax provided for in this article must be remitted to the local governing body on a monthly basis when the estimated amount of average tax is more than fifty dollars a month, on a quarterly basis when the estimated amount of average tax is twenty-five dollars to fifty dollars a month, and on an annual basis when the estimated amount of average tax is less than twenty-five dollars a month.



HOSPITALITY TAX REGISTRATION FORM

Is this a new business? _____ New _____ Existing

Is food your primary business? _____ Yes _____ No

Business Information

- Business Name: _____
- Federal Tax ID# _____ SC Sales & Use Tax#: _____
- Physical Address: _____
- Tax Map Number (if applicable): _____
- Mailing Address: _____
- Date Business Opened: _____
- Work Phone: _____
- Alternative Phone: _____
- Projected Monthly Revenue: _____
- DHEC Permit#: _____ Is Business Seasonal: _____ Yes _____ No

Owner Information

- Owner: _____
- Partnership or Corporate name (if Different): _____
- Mailing Address: _____
- Contact Number: _____
- Fax Number: _____
- E-mail Address: _____

Hospitality Tax Responsibility

- Name of Person Responsible for Hospitality Tax Payments: _____
- Mailing Address: _____
- Phone: _____
- E-mail: _____

Application 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: _____

Please fax this form to: City of Bennettsville, Attn: Hospitality Tax at (843) 479-1595 or
Mail to: City of Bennettsville, Attn: Hospitality Tax, P.O. Box 1036, Bennettsville, SC 29512



CITY OF BENNETTSVILLE HOSPITALITY TAX REPORTING & COMPUTATION FORM

Year: _____ Reporting Period: _____ Month _____ Quarterly _____ Annually

Month: Jan Feb Mar Apr May Jun Jul Aug Sept Oct Nov Dec
(Please check one)

Business Name: _____

Mailing Address: _____

Federal EIN or SSN#: _____

Business Phone: _____

Contact Person: _____

Email Address: _____

Computation of Local Hospitality Taxes Due to City of Bennettsville:

1. Gross Sales of Food and/or Beverages	1. \$
2. Hospitality Fee Allowable Exclusions (Itemize by Type of Exclusion and Amount of Exclusion) If Applicable	2. \$
3. Adjusted Net Taxable Sales (Line 1 minus Line 2)	3. \$
4. Fee: Line 3 x 2% (.02)	4. \$
5. Taxpayers 2% (.02) Discount (For timely filed return only) 2% of Line 4	5. \$
6. Hospitality Tax Net Amount Payable (Line 4 minus Line 5)	6. \$
7. Penalty on Delinquent Fees 5% (.05) of the unpaid fee for each month or portion thereof after due date until paid	7. \$
8. Total Hospitality Tax Due (Line 6 plus 7)	8. \$

IMPORTANT: This return becomes DELINQUENT if it is postmarked after the 20th day following the close of the period.

REMINDER: Please sign and date the return below. Attach a copy of both front and back of the SC Dept. of Revenue State Sales and Use Tax Return, Form ST-3.

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

Signature: _____ Date: _____

PLEASE MAKE CHECKS OR MONEY ORDER PAYABLE TO:
CITY OF BENNETTSVILLE, ATTN: HOSPITALITY TAX, P.O. BOX 1036, BENNETTSVILLE, SC 29512
Phone: (843) 479-9001 Fax (843) 479-1595
Make Copies As Needed!



GENERAL INFORMATION

FREQUENTLY ASKED QUESTIONS

1. What is the Local Hospitality Tax?

A 2% tax imposed on the gross proceeds (total collected) derived from the sale of prepared food, meals, and beverages (for consumption or take out) by a restaurant, vendor, hotel, motel, caterer, food truck, or other food service within the city, including those prepared food, meals, and beverages outside the City limits, but packaged, served, and sold within the City. In addition, the tax shall be imposed on all food, meals, and beverages prepared or modified in the city limits by convenience stores, grocery stores or any store that have specified areas where food and beverages are prepared for consumption or take out. This tax applies to food, meals, and beverages sold and licensed for on-premises consumption, including alcoholic beverages, beer, or wine. This tax does not apply to organizations that are exempt from collecting sales tax according to Section 12-36-2120 of the Code of Laws of South Carolina, as amended.

2. What is considered a prepared meal?

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

What items are taxed?

- Doughnuts, cakes, pastries, and any other bakery items; party trays consisting of fruits, dips, salads or cheeses, chilled deli meat or chicken drumettes that are prepared in your place of business for any catered event, packaged dinners cooked on site, pizza, sandwiches/subs, popcorn made on site, brewed coffee, and fountain drinks.

*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, consolidating fruit into a basket, prepackaged items (not prepared or modified on site) consolidated into a large container to make one package (Gift Basket), repackaged, ready to-consume meats, cheeses, and deli salads, packaged dinners that are not cooked or modified on site, prepackaged bags of chips, pretzels, nuts, candy, and any alcoholic beverages, including beer, and wine that is sold in cans or bottles and is not intended for consumption on the premises.

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

3. Who is responsible for collecting and remitting the local Hospitality Tax?

Restaurants, bars, lounges, caters, grocery stores, convenient stores, food trucks, 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.



GENERAL INFORMATION

FREQUENTLY ASKED QUESTIONS

4. How should the tax be remitted?

The Local Hospitality Tax Act requires the taxes to be remitted to the City of Bennettsville on a **Monthly** basis when the estimated amount of average tax is more than fifty (\$50) dollars a month, and **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.

***Any return submitted prior to the designated due date of the 20th may deduct a discount of 2% (.02) on line 5 of the Hospitality Tax form. However, if the return is postmarked after the 20th, please compute, and include an additional 5% (.05) delinquent penalty on line 7 per instructions.**

Hospitality Tax Payment Quarterly Due Dates:

Collected	Due
First Quarter (January, February, March)	April 20 th of the calendar year
Second Quarter (April, May, June)	July 20 th of the calendar year
Third Quarter (July, August, September)	October 20 th of the calendar year
Fourth Quarter (October, November, December)	January 20 th of the calendar year



PAYMENT REMITTANCE

How are Business Owners to remit the Monthly Tax?

With a check and/or money order along with the completed Hospitality Tax form and a copy of the SC State Sales and Use Tax return (ST-3) on or before the 20th of each month:

In Person:

City of Bennettsville Municipal Building

Finance Department

501 East Main Street

Bennettsville, SC 29512

By Mail:

City of Bennettsville

Attn: Hospitality Tax

P.O. Box 1036

Bennettsville, SC 29512



BUSINESS CHANGE NOTIFICATION FORM

Please complete the application information in **PRINT** and sign below.

Current Business (DBA): _____

Name: _____

Federal EIN or SSN#: _____

Business Sold: _____

New Owners: _____

New Owners Number: _____

New Owner Address: _____

BUSINESS PERMANENTLY CLOSED:

- Date of Sale: _____
- Date of Closure: _____

CHANGE OF BUSINESS LOCATION ONLY:

- Date of Change: _____
- New Location: _____

OTHER BUSINESS CHANGES:

- Date of Change: _____
- New Corporation/Name: _____
- Phone# or Email Address: _____
- New Contact Person: _____
- Change in Mailing Address: _____
- Change in Business Name Only – New Name: _____

The information below is required. Please sign and return.

Print: _____ Signature: _____

Title: _____ Phone#: _____

Date: _____



LOCAL HOSPITALITY TAX EXEMPTION FORM

If your establishment does not sell prepared food, meals and/or beverages intended for immediate consumption, please sign below and fax this form to (843) 479-1595.

Business Name: _____

Physical Address: _____

Telephone: _____

I certify that the above reference establishment within the City of Bennettsville does not have for sale prepared meals and/or beverages intended for immediate consumption.

Signature: _____

Name/Title of Person Completing Form: _____

Date: _____

Phone#: _____

Please fax this form to: City of Bennettsville, Attn: Hospitality Tax at (843) 479-1595 or
Mail to: City of Bennettsville, Attn: Hospitality Tax, P.O. Box 1036, Bennettsville, SC 29512

CONTACT INFORMATION

City of Bennettsville

Finance Director

Attn: Christy Overstreet

501 East Main Street

P.O. Box 1036

Bennettsville, SC 29512

Phone: (843) 479-9001 ext. 311

Fax: (843) 479-1595

Christy.Overstreet@bennettsville.sc.gov

Accountant:

Attn: Tammy King

501 East Main Street

P.O. Box 1036

Bennettsville, SC 29512

Phone: (843) 479-9001 ext. 323

Fax: (843) 479-1595

Tammy.King@bennettsville.sc.gov

Please visit our website at: www.bennettsville.sc.gov



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