

WILLIAMSBURG COUNTY

Local

Hospitality Tax

Guide



Williamsburg County Government

201 West Main Street

Kingstree, South Carolina 29556

(843) 355-9321

www.williamsburgcounty.sc.gov

Local Hospitality Tax Guide

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COUNTY OF WILLIAMSBURG

Finance and Administration Office

201 W. Main St., Kingstree SC 29556

Telephone: (843)355-9321 Ext. 5102

Fax: (843)355-1587

RE: LOCAL HOSPITALITY TAX

Dear Business Owner:

On July 13, 2015, Williamsburg County Council passed an Ordinance establishing a two percent (2%) local hospitality tax on prepared 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 beginning January 1, 2016 with the exception of businesses located in the Town of Kingstree and Town of Hemingway with an established 2% local hospitality tax.

Enclosed, please find your Williamsburg County Local Hospitality Tax Guide. This guide provides helpful information about the local hospitality tax and includes forms that you will need to submit your taxes. The following forms are included for your convenience:

- Local Hospitality Tax Registration Form
- Frequently Asked Questions
- Local Hospitality Tax Exemption Form
- Local Hospitality Tax Reporting and Computation Form

This guide also includes a copy of the Adopted 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 meals and/or beverages intended for immediate consumption, please sign the attached local Hospitality Exemption Form and fax it to (843)355-1587 or mail it to Finance and Administration Office, 201 W. Main Street, Kingstree, SC 29556 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 Williamsburgcounty.sc.gov or call 843-355-9321, x 5102 or 843-355-9321, x 5103 and we will be glad to assist you.

Sincerely,

Walt Ackerman
Director of Finance and Administration



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: _____
- 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 Address: _____

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: _____

Please fax this form to: Finance and Administration Office at (843)355-1587 or **Mail to:** Finance and Administration Office, 201 W. Main St., Kingstree SC 29556

FREQUENTLY ASKED QUESTIONS

1. **What is the Local Hospitality Tax?**

A Local Hospitality 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". Williamsburg 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 programs, services, facilities, 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.

2. **What is considered a prepare meal?**

A prepared meal is any food 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.

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

Restaurants, bar, and lounges, private clubs, hotels and motels, caters, grocery stores, convenient 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.

4. **How should the tax be remitted?**

The Local Hospitality Tax Act requires the taxes be remitted to Williamsburg 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.

5. **When will the Hospitality Fee/Tax go into effect and when will my first remittance be due?**

Williamsburg County's two percent (2%) Local Hospitality Tax is effective on January 1, 2016. The deadline for remittance of the first month's collections will be 5:00 p.m. on the 20th of February 2016. For example, all hospitality taxes collected as of January 31, 2016 are due no later than February 20, 2016. The computation form must be submitted every month even if the amount of tax your business collects is zero.

LOCAL HOSPITALITY TAX REPORTING & COMPUTATION FORM

Year: _____ Reporting Period: Monthly Quarterly Annually

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

Business Names: _____

Mailing Address: _____

Hospitality Tax Registration #: _____

Computation of Local Hospitality Taxes Due to Williamsburg County:

| | |
|--|-----------|
| 1. Gross Sales of Food and/or Beverages | 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. |
| TOTAL HOSPITALITY TAXES DUE | \$ |

Please Note: This return covers the period through the last day of the month and becomes delinquent on the 21st day of the following month.

***PENALTY:** A penalty of five percent (5%) applies to any remittance postmarked after the 20th of the month unless the 20th falls on a weekend. In this situation, it is due the following business day.

**NOTICE: PLEASE ATTACH A COPY OF YOUR STATE SALES TAX RETURN (ST-388)
WITH YOUR REMITTANCE.**

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

Signature: _____ Print Name: _____

Date: _____ Telephone #: _____

Owners Name: _____

Owners Address: _____

Owners Phone: _____ E-mail: _____

Please briefly categorize your business: _____
(examples: Bar and Grill; Cafe; Convenience Store; Steak House; Fast Food; Ethnic; Subs; Grocery; Pizza; BBQ, Family Restaurant; etc.)

**PLEASE MAKE CHECKS OR MONEY ORDER PAYABLE TO:
WILLIAMSBURG COUNTY- LHT, 201 W. Main St., Kingstree SC 29556
Phone: (843)355-9321 Fax: (843)355-1587**

LOCAL HOSPITALITY TAX ORDINANCE

AN ORDINANCE FOR THE PURPOSE OF ESTABLISHING A LOCAL HOSPITALITY TAX TO APPLY TO ALL ESTABLISHMENTS WHICH SELL PERPARED MEALS AND BEVERAGES LOCATED IN WILLIAMSBURG COUNTY.

WHEREAS, Williamsburg County, South Carolina (the "County") desires to build and enhance services and facilities that serve tourists who visit the County; and

WHEREAS, the County wants to more strongly support the public services that are available to tourists in order to promote and further encourage tourism in 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 not to exceed two percent (2%) on the gross proceeds of sales of prepared meals and beverages; and

WHEREAS, the County finds that a two percent (2%) Local Hospitality Tax (as defined herein) upon the sales of prepared meals and beverages sold in establishments in County, will result in revenues which will be used for the dedicated purpose of improving services and facilities for tourists which constitutes a public purpose of the County; and

WHEREAS, said Acts provide that the proceeds of local hospitality taxes may be used to provide:

- (1) Cultural, recreational, or historic facilities:
- (2) Tourism-related buildings:
- (3) Highways, roads, streets, and bridges providing access to tourist destinations:
- (4) Water and sewer infrastructure to serve tourism-related demand
- (5) Advertisement and promotion related to tourism development

NOW THEREFORE, BE IT ORDAINED by the County Council of Williamsburg County, South Carolina, duly assembled, and by authority of the same as follows:

Section 1 – Definitions

- a. "County" means Williamsburg County, South Carolina and all of the properties within the geographical boundaries of Williamsburg County, South Carolina as existing on the date of adoption Ordinance.
- b. "County Council" means the governing body of the County.
- c. "Local Hospitality Tax" means a tax on the sales of prepared meals and beverages sold in establishments within the County.

Section 2 – Local Hospitality Tax

A uniform equal to two percent (2%) is hereby imposed on the sales of the prepared meals and beverages sold in establishments within the County.

Section 3 – Payment of Local Hospitality Tax

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 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 the correctness thereof by the provider of the services.

The tax provided for this Ordinance must be remitted to the County Finance Office on a monthly basis when the estimated amount of average tax is more than fifty (\$50) dollars a month, on a quarterly basis when the estimated amount of average tax is twenty-five (\$25) dollars to fifty (\$50) dollars a month, and on an annual basis when the estimated amount of average tax is less than twenty-five (\$25) dollars 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 March, June, September, and December, and the closing date for annual payments is the last day of December. The forms and taxes shall be sent care of the County Finance Office, 201 West Main Street, Kingstree, SC 29556.

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 tax payment is to be remitted. A payment is consider 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 twentieth day of the moth falls on a Sunday or postal service holiday, then payments mailed 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 “Williamsburg 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 shall distribute the Local Hospitality Tax collected and placed in the Fund in accordance to such purposes 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 timely manner that will best serve the tourists from whom it was collected including being used as a funding source to pay indebtedness issued by the County for public purposes. It shall be the responsibility of the County Council to ensure that any and all money expended from the Fund shall be spent for the proposes permitted under the Act.

The funds received by the County are to be allocated, subject to annual appropriation of the County Council in the following manner:

(1) Should Local Hospitality Tax Funds be used to defray the cost of indebtedness, the amount necessary for debt service shall take precedence over all allocations?

(2) Of any balance remaining: 1) twelve percent (12%) of the funds received by the County are to be applied to the operational and maintenance costs related to the capital projects; (2) fifteen percent (15%) of all the total funds received by the County are to be used to provide additional County services including, but not limited to, law enforcement, traffic control, 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; (3) the remaining balance, plus earned interest, received by the County will be allocated to a cover operating and maintenance costs associated with tourism-related programs and expenditures.

Section 6 – Inspections and Audits

For the purpose of enforcing the provisions of the Ordinance, the County Finance Office or other authorized agent of the County, is empowered to enter upon the premises of any person subject to this Ordinance 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 written notice. In the event that an audit reveals that the remitter has filed false information, the cost of the audit shall be added to the correct amount of 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 Finance Office or other authorized agent may make systemic inspections of all service providers that are governed by this Ordinance within the County to ensure compliance with this Ordinance. Records of inspections shall not be deemed public records.

Section 7 – Violations and Penalties

It shall be a violation of this Ordinance to:

- a. Fail to collect the Local Hospitality Tax as provided for in this Ordinance,
- b. Fail to remit the County the Local Hospitality Tax collected, pursuant to this Ordinance,
- c. Knowingly provide false information on the form of return submitted to the County, or
- d. Fail to provide books and records to the County Finance Office for the purpose of an audit upon twenty-four (24) hours written notice.

The penalty for violation of the Ordinance shall be five percent (5%) per month, charged on the original amount of the Local Hospitality Tax due.

Section 8 – Indebtedness

So long as any form of indebtedness is outstanding that the County has designed as being payable from Local Hospitality Taxes, the Local Hospitality Tax shall continue to be collected by the County. Indebtedness shall mean any obligation of the County, including certificates of participation, used to finance projects authorized by the Act.

Section 9 – Administration

The County Finance Office shall be responsible for the administration of the Local Hospitality Tax on behalf of the County.

Section 10 – Amendments

A two-thirds vote of the County Council shall be required to amend this Ordinance. Provided.

Section 11 – Sunset

The two percent (2%) tax imposed in Section 2 hereof shall expire on the date that is the later of (i) twenty (20) years from the effective date of this Ordinance or (ii) the date the final payment is made on all outstanding indebtedness payable from Local Hospitality Taxes.

Section 12 – Severability

If any section, phrase, sentence or portion of the Ordinance is for any reason 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.

Section 13 – Effective Date

This Ordinance shall become effective upon third reading. The tax referenced herein shall commence being collected by the providers of the services on which the tax applies, on January 1, 2016 and remittance of amounts due to the County of the tax collected by the providers of the services on which the tax applies shall commence in the manner referenced herein.

Establishment affected by the Local Hospitality Tax:

Restaurants/Bars/Lounges/Private Clubs/Hotels/Motels/Caterers

All food and/or beverages sales including alcoholic beverages

Convenience Stores/Grocery Stores/Other Food Service Establishments

All food and/or beverage sales prepared or modified and ready for consumption.

What items are taxed?

All food and/or beverages sale 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 cheese cut, sliced, or prepared on site (Ex. Meat and Cheese Trays)
- Salads made on site
- Sandwiches/subs prepared on site
- Bakery items cooked/bakes on site
- Coffee brewed on site
- Oven ready pizzas (including the sale of individual slices)
- Popcorn made on site
- Food and beverages prepared for catering
- Party platters
- Ice cream prepared 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, frozen drinks dispensed from a fountain machine, coffee, tea, hot chocolate, cappuccino
- 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, inclusive of 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
- Consolidating fruit into a basket (Fruit baskets)
- Prepackages items (not prepared or modified on site) consolidated into a larger 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
- Items cooked or baked off site without modified on site.
- Ready-to-eat packaged food that a customer re-heats on site (Customer is making food consumable)
- Prepackaged cans, boxes, or jars of food
- Bags of chips, pretzels, nuts, candy or other prepackaged snack food items
- 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 all-inclusive list of exempt taxable items.



BUSINESS CHANGE NOTIFICATION FORM

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

Current Business (DBA): _____
Name: _____
Hospitality Tax Registration #: _____
Business Sold: _____
New Owners: _____

BUSINESS PERMANETLY CLOSED:

- Date of Sale: _____
- Date of Closure: _____
- New Owners: _____
- Phone Number: _____
- Address: _____

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: _____

Date: _____ Phone #: _____

Please fax this form to: Finance and Administration Office at (843)355-1587 or **Mail to:** Finance and Administration Office, 201 W. Main St., Kingstree SC 29556



LOCAL HOSPITALITY TAX EXEMPTION FORM

If your establishment does not sell prepared meals and/or beverages intended for immediate consumption, please sign below and fax this form to (843) 355-1587.

Business Name: _____

Physical Address:

Telephone Number: _____

I certify that the above referenced establishment within Williamsburg 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: _____

Please fax this form to: Finance and Administration Office at (843)355-1587 or **Mail to:** Finance and Administration Office, 201 W. Main St., Kingstree SC 29556

CONTACT INFORMATION

Williamsburg County of Government
Director of Finance
Attn: Walt Ackerman
201 West Main Street
Kingstree, SC 29556
Telephone: (843) 355-9321 Ext. 5102
Fax: (843) 355-1587
Walt.Ackerman@wc.sc.gov

Budget Director
Attn: Liz Nelson
201 West Main Street
Kingstree, SC 29556
Telephone: (843)355-9321 Ext. 5103
Fax: (843)355-1587
Liz.Nelson@wc.sc.gov

Please visit our website at: www.williamsburgcounty.gov



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