

DORCHESTER COUNTY

Local Hospitality Tax Guide



Dorchester County Government Offices

500 N. Main Street, Box 3

Summerville, SC 29483

You Must Register Your Business

Local Hospitality Tax Guide

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Dorchester County Government
Business Services - Budget & Revenue Division

500 N. Main Street, Box 3
Summerville, SC 29483
Phone: (843) 832-0018

RE: LOCAL HOSPITALITY TAX

Dear Business Owner:

Thank you for choosing Dorchester 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 <https://www.dorchestercountysc.gov/hospitalitytax>

Sincerely,

Melanie Hay
Budget Officer

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 Services?

This office assists with signage regulations, Certificates of Occupancy, Construction Permits and other associated regulations and/or permits. Information may be found on the website:

www.dorchestercountysc.gov/government/building-services

Location: 500 North Main Street Summerville, SC 29483 Phone: (843)832-0011.

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". Dorchester 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 Dorchester 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?

Dorchester County's two percent (2%) Local Hospitality Tax went into effect on January 1, 2019. 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.

DORCHESTER COUNTY LOCAL HOSPITALITY TAX REGISTRATION FORM



Business Services - Budget & Revenue Division
500 N Main St., Box 3
Summerville, SC 29483
(843) 832-0018

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: _____



DORCHESTER COUNTY

LOCAL HOSPITALITY TAX REPORTING AND COMPUTATION FORM

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

Year: _____

Business Name: _____

Location Address: _____

Business License #: _____

Reporting Period:

The Local Hospitality Tax Act requires that taxes be remitted to Dorchester 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
- February
- March
- April
- May
- June
- July
- August
- September
- October
- November
- 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 Dorchester 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: DORCHESTER COUNTY
MAILING ADDRESS: Business Services - Budget & Revenue Division * 500 N Main St., Box 3, Summerville, SC 29483
PHONE: (843) 832-0018

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



DORCHESTER 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 Dorchester County Government.

Business Name: _____

Physical Address: _____

Telephone Number: _____

I certify that the above referenced establishment within Dorchester 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: _____

Dorchester County Business Services - Budget & Revenue Division

Mail: 500 N Main St., Box 3, Summerville, SC 29483



BUSINESS CHANGE NOTIFICATION FORM

Current Business (DBA): _____

Name: _____

Business License #: _____

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: _____

**Dorchester County Business Services
Budget & Revenue Division
500 N Main St., Box 3, Summerville, SC 29483**

COUNTY OF DORCHESTER

AN ORDINANCE TO SUPPLEMENT THE CODE OF ORDINANCES, DORCHESTER COUNTY, SOUTH CAROLINA, BY ADDING A NEW SECTION 40-102, ET SEQ. TO CHAPTER 40 IMPOSING A LOCAL HOSPITALITY TAX

It is hereby ordained by Dorchester County Council, duly assembled, that the Code of Ordinances, Dorchester County, South Carolina, is hereby supplemented to add a new Section 40-102, et seq. to Chapter 40, which shall read as follows:

Sec. 40-102 – Definitions

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

“Local hospitality tax” means 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 in the County.

“Act” means the “Local Hospitality Tax Act” codified in S.C. Code Ann. Sec. 6-1-700, et seq., as amended.

Sec. 40-103 - 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 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 of the gross proceeds of sales of prepared food and beverages sold in establishment located within the boundaries of any incorporated municipalities within the County which have not imposed a local hospitality tax prior to the effective date of this Ordinance. The County shall not impose a local hospitality tax on those municipalities that have adopted a two percent local hospitality tax prior to the effective date of this Ordinance; The

cumulative rate of the County and municipal local hospitality taxes imposed for any portion of the County may not exceed two percent.

Sec. 40-104 -Payment of local hospitality tax.

- (a)
- Payment of the local hospitality tax established herein, shall be the liability of the purchaser 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 \$50.00 a month, on a quarterly basis when the estimated amount of average local hospitality tax is \$25.00 to \$50.00 a month, and on an annual basis when the estimated amount of average local hospitality tax is less than \$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.

Sec. 40-105 - Local hospitality tax special revenue fund.

An interest-bearing, segregated and restricted account to be known as the "Dorchester 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.

Sec. 40-106 - Distribution of funds.

The County Council of the County shall distribute the revenue generated by the local hospitality tax shall be used solely for the purpose set forth in the Act.

Sec. 40-107 - 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 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 providers that are governed by this Ordinance to ensure compliance with this Ordinance.

Sec. 40-108 - 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;

- (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 24 hours' notice.

(b) Any unpaid assessment of hospitality tax shall be subject to a five percent 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 \$500.00, or imprisoned for a term of not to exceed 30 days.

Sec. 40-109 – Effective Date.

The local hospitality tax imposed by this Ordinance shall commence January 1, 2019.

Approved and adopted at 3rd and final reading this 18th day of June 2018.


James Lex Byars III, Chairman
Dorchester County Council

First Reading: 05/02/2016
Second Reading: 06/06/2016
Public Hearing 08/08/2016
Third Reading: 06/18/2018

ATTEST:


Tracey L. Langley, Clerk to Council

Contact Information

Dorchester County Business Services
500 N. Main Street
Summerville, SC 29483

Mailing Address:

Business Services - Budget & Revenue Division

500 N Main St., Box 3
Summerville, SC 29483

Please visit our website at: www.dorchestercountysc.gov