



City of Spartanburg
Hospitality Tax
PO Box 5495
Spartanburg SC 29304
(864) 596-2055 phone
(864) 596-2424 fax
www.cityofspartanburg.org

LOCAL HOSPITALITY TAX FREQUENTLY ASKED QUESTIONS

What is the Local Hospitality Tax?

A 2% tax imposed on all food and beverages (including alcoholic beverages) prepared, modified, or served on site.

Who pays the Local Hospitality Tax?

Customers pay the 2% tax at the time of purchase. The business collects the tax on behalf of the City and remits the collections on this tax to the City on a monthly, quarterly, or annual basis.

Where can I get a copy of the Local Hospitality Tax Ordinance?

Call the City of Spartanburg Finance Department at (864) 596-2059 or visit www.cityofspartanburg.org.

What kinds of businesses collect Local Hospitality Tax on prepared or modified foods and beverages?

Restaurants, delicatessens, bakeries, cafés, ice cream parlors, caterers, hotels and motels, bars and lounges, grocery and convenience stores (if they sell prepared or modified foods and/or beverages), food vendors at special events in the City, and other food service facilities and establishments.

What kinds of items are affected by the Local Hospitality Tax?

All food and beverages (including alcoholic beverages) prepared, modified, or served on site. Examples include:

- Foods that are baked, cooked, or heated on-site (pasta, soup, pizza, hot dogs, chicken, doughnuts, etc.).
- Items that are prepared on-site (sandwiches, salads, ice cream cones, pastries, etc.).
- Sliced meat, vegetable, and fruit trays/containers that are packaged on-site.
- Fountain drinks, shakes, smoothies, and brewed coffee or tea; Any bottled beverage opened by a server.
- Any food item purchased in bulk and re-packaged into smaller portions.

What are some examples of items that are EXEMPT from the Local Hospitality Tax?

- Bottled/canned drinks that are purchased from a vending machine or NOT opened for the customer by a server.
- Prepackaged items that have not been prepared or modified on site (bags of chips, frozen dinners, etc.)
- Fruits and vegetables that have been placed whole into a basket.

Who needs to sign the return form?

Each return must be signed by the preparer. The preparer's signature certifies that all information submitted is correct and in accordance with the requirements of all City of Spartanburg ordinances.

How often do I send the City remittances for my business?

If the estimated remittances total \$50.00 or more per month, it is due monthly. If the estimated remittances total \$49.99 or less monthly, it is due quarterly. If the estimated remittances total \$24.99 or less monthly, it is due annually. All remittances are due the 20th of the month following the reporting period.

How do I report for a seasonal business?

We ask that you send in a Local Hospitality Tax Remittance form with a \$0 amount indicated on the form. This will help eliminate confusion on our part, and prevent late remittance notices from being delivered to you.

What if I send my remittance in early?

You are entitled to take a 2% discount on the tax amount due if your completed and signed reporting form and payment are received in our office or postmarked on or before the due date.

What if I send my remittance in late?

A penalty of 10% must be applied to the tax amount due for each month that the reporting payment is past due.

Hospitality Tax Listing of Taxable Items

This list is not intended to be all inclusive but to serve as a guide to the most common items that may or may not be subject to the hospitality tax. If you have any questions concerning an item, please call the Revenue division at (864) 596-2055.

For additional copies of this flyer or for a copy of the complete Hospitality Tax Ordinance, visit the City of Spartanburg website at: www.cityofspartanburg.org.

Roll over the Online Resources text at the top of the page and click on the Publications link from the drop-down menu.

Revised December, 2009



Taxable Items

- Produce cut, sliced, cored or modified in store
- Salads made in store
- Sandwiches/subs prepared on site
- Coffee brewed in store
- Seafood steamed/cooked on site
- Grilled hamburgers/hot dogs
- Packaged dinners cooked on site
- Fountain drinks
- Any food prepared or modified on site by an employee or contractor
- Any food cooked on site
- Any prepared foods or meals that are subject to South Carolina sales tax
- Any served beverage, inclusive of beer, wine, and liquor
- Ice cream

Exempt Items

- Cold, canned drinks in a vending machine on site
- Cold bottled drinks in vending machines located in a deli
- Consolidated fruit in a basket
- Items repackaged for immediate consumption in store, but not prepared or modified in store
- Prepackaged items consolidated into a larger container to make one package, but not prepared or modified in store
- Packaged dinners that are not cooked/modified on site
- Items cooked/baked off site without modifications on site
- Ready to eat prepackaged food customer reheats on site

AN ORDINANCE

TO AMEND CHAPTER 18 OF THE CODE OF THE CITY OF SPARTANBURG, SOUTH CAROLINA 1988, TO MAKE PROVISION FOR A TWO PERCENT (2%) HOSPITALITY TAX ON ALL PREPARED FOOD AND BEVERAGES SOLD IN THE CITY OF SPARTANBURG. SUCH ARTICLE SHALL BECOME ARTICLE II OF CHAPTER 18, "HOSPITALITY TAX."

WHEREAS, the City of Spartanburg (the "City") is required to provide amenities, infrastructure, public roads, proper water, sewer and storm drainage for visitors and tourists to the City of Spartanburg; and

WHEREAS, City Council finds that the added financial burden on City resources to provide the services needed to support visitors and tourism should be distributed so that the share paid by the businesses most directly benefiting from such visitors and tourism will be proportionate with the size of the added burden; and

WHEREAS, City Council finds that a tax of two percent (2%) to be collected by food and beverage service businesses in the City, which businesses benefit most directly from visitors and tourism, will result in collections by the City which would be roughly proportionate with the added burdens created to support the services and infrastructure needed to support and enhance the visitors and tourism industry.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Members of Council that the Code of the City of Spartanburg 1988 is amended to provide for a Hospitality Tax.

Sec. 18-100. Authority.

This section is enacted pursuant to the authority of Title 5, S.C. Code Ann., including, without limitation, § 5-7-10 (as amended) and § 5-7-30 (as amended), which provide, in relevant part, that municipalities may adopt 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, and pursuant to Title 6, S.C. Code Ann., § 6-1-700, et seq.

Sec. 18-101. Declaration of purpose and intent.

This section is enacted to preserve the general health, safety and welfare of the general public within the City of Spartanburg, South Carolina, by creating a uniform tax for the purpose of creating a fund to pay in whole or in part for tourism-related buildings including, but not limited to, civic centers, coliseums, and aquariums; tourism-related cultural, recreational, or historic facilities; highways, roads, streets and bridges providing access to tourist destinations; advertisements and promotions related to tourism development; water and sewer infrastructure to serve tourism-related demand; the acquisition of land and the construction of passive and active parks and facilities associated with parks including playground equipment, sports facilities, and community recreation buildings; the payment of bonded indebtedness required to provide the above referenced uses; and administrative costs associated with collection, accounting for and applying the hospitality taxes.

Sec. 18-102. Definitions.

- (a) "Business" means any entity which has or is required to have a business license from the City and is subject to collecting and remitting State of South Carolina sales tax for sales which it makes.
- (b) "Establishment" shall mean any Business within the City which sells Prepared Meals and beverages, inclusive of alcoholic beverages, beer and wine, whether for on-premise consumption, take-out or delivery.
- (c) "Hospitality Tax" shall mean the local hospitality tax defined by S.C. Code Ann., § 6-1-710 and authorized to be charged by municipalities by S.C. Code Ann., § 6-1-720, as from time to time amended.
- (d) "Prepared Meal" shall mean food prepared or modified by an establishment which at the time of sale is ready for consumption by members of the public, regardless of the food's actual quantity, presentation or packaging, and without regard to the time of day of the sale.

Sec. 18-103. Hospitality tax.

A uniform tax equal to two percent (2%) is hereby imposed on:

- (a) The sale of Prepared Meals and beverages, inclusive of alcoholic beverages, beer and wine sold in Establishments.
- (b) The sale of Prepared Meals and beverages, served by a restaurant, hotel, motel, or other food service facility and Establishments licensed for on-premises consumption of alcoholic beverages, beer or wine within the City of Spartanburg.

In addition, the tax shall be imposed for all food and beverages prepared or modified by convenience stores, grocery stores, delicatessens, caterers and other similar businesses within the City of Spartanburg.

Sec. 18-104. Payment of tax.

(a) Payment of the tax established herein shall be the liability of the consumer purchaser of the services or products described in Section 18-103. The tax shall be paid at the time of delivery of the services or products to which the tax applies and shall be collected by the provider or seller of the service or products. Establishments' records may be inspected or audited by City at City Request at reasonable times and places.

(b) The taxes collected by the seller or provider of the services or products as required under Section 18-103 and this Ordinance shall be remitted to the City of Spartanburg as prescribed by State law and specifically § 6-1-770, S.C. Code Ann.) along with such return or form as may be established by the City of Spartanburg for such purpose.

(c) Taxes and required reports shall be submitted to the City of Spartanburg by the twentieth (20th) day of the applicable month (monthly for monthly reports, the first month of the quarter for quarterly reports and the first month of the year for annual reports) and shall cover sales of the previous month, quarter, or year, respectively, as appropriate and as provided in § 6-1-770, S.C. Code Ann. of the unpaid tax for each month or portion thereof after the due date until paid. A payment of the tax is considered to be timely remitted to the City if the payment and the return have a U.S. Mail postmark date (not a metered date) on or before the date the payment and return are required to be made. If the twentieth (20th) day of the month falls on a Saturday, Sunday, U.S. Postal Service, holiday or City holiday, then payments and returns mailed or made at the City on the next business day will be accepted as timely made. Any taxes not timely remitted shall be subject to a penalty of ten percent (10%). The failure to collect from patrons the tax imposed by this article shall not relieve any establishment subject to the article from making the required remittance. Provided, however, that the provider or seller of the services or products may retain two percent (2%) of the amount due with the report to offset the costs of recording and remitting, provided the taxes are remitted timely.

(d) Any person violating any provision of this article shall be deemed guilty of an offense and shall be subject to punishment under Section 18-108 upon conviction. Each day and each act of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for herein.

Sec. 18-105. Hospitality tax fund.

A revenue fund of the City, segregated from the City's general fund shall be known as the City of Spartanburg's Hospitality Tax Fund, and shall be established and all revenues received from the hospitality tax shall be deposited exclusively into this fund. The principal and any accrued interest from this fund shall be expended only as permitted in Section 18-105 as described below.

The City Council of the City of Spartanburg, South Carolina is hereby authorized to utilize the funds collected from the imposition of the hospitality tax 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) Highways, roads, streets, and bridges providing access to tourist destinations;
- (4) Advertisements and promotions related to tourism development;
- (5) Water and sewer infrastructure to serve tourism-related demand.
- (6) The acquisition of land and the construction of passive and active parks and facilities associated with parks including playground equipment, sports facilities, and community recreation buildings.
- (7) The payment of bonded indebtedness required to provide the above referenced uses.
- (8) Administrative costs associated with collection, accounting for and applying the hospitality taxes.

Sec. 18-106. Authorization for use.

Authorization to utilize revenues from the hospitality tax account shall be by the annual budget ordinance duly adopted by the City Council of the City of Spartanburg, South Carolina.

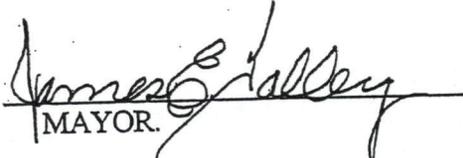
Sec. 18-107. Severability.

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.

Sec. 18-108. Penalty.

Failure to pay the tax shall subject the provider of services or products as set forth in Section 18-103 to prosecution in the Municipal Court for imprisonment and/or fines to the maximum jurisdiction of the Magistrate Court. Each day and each act shall constitute a separate offense. Moreover, the City may by administrative action suspend the business license of a violator.

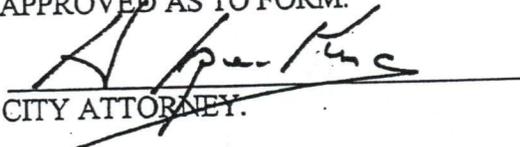
This Ordinance shall become effective immediately upon adoption and all affected Businesses will be responsible for collecting and remitting the tax commencing on January 1, 2002.


MAYOR.

ATTEST:


CITY CLERK.

APPROVED AS TO FORM:


CITY ATTORNEY.

8/27/01 1st Reading

9/10/01 2nd Reading



City of Spartanburg
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PO Box 5495
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Business Name: _____

Attention: _____

Mailing Address: _____

City, State & Zip: _____

DBA Name: _____

Location Address: _____

LOCAL HOSPITALITY TAX REMITTANCE FORM

Month: _____ Year: _____

Total gross proceeds on food/beverages: \$ _____

2% of gross proceeds (total gross x .02): \$ _____

Less 2% discount if paid by due date* (2% of gross x .02): - \$ _____

Plus 10% penalty per month if late* (2% of gross x .10): + \$ _____

TOTAL DUE: \$ _____

Signature: _____ Phone: _____

I hereby certify that I have examined this return, and to the best of my knowledge and belief, it is a true and complete return.

**Payments must be made in-office or postmarked by the 20th of the following month to avoid penalties. If the 20th falls on a weekend or City holiday, payments are due the next business day.*

For help calculating your hospitality tax, or to request extra forms, call (864) 596-2055.