

Local Hospitality



Tax Booklet

Town of Pacolet

180 Montgomery Avenue, PO Box 700

Pacolet, South Carolina 29372



Town of Pacolet, South Carolina Local Hospitality Tax Information

The Council of the Town of Pacolet authorized the levy of a one percent (1%) local hospitality tax on prepared meals and/or beverages, inclusive of alcoholic beverages, beer and wine sold in establishments effective April 7, 2011.

The hospitality tax is similar to the state sales tax in that it is a pass through to the customer. As a business owner you will charge 2% for local hospitality taxes to be remitted to Spartanburg County. Spartanburg County will retain 1% with 1% remitted to the Town of Pacolet for a total of 2%.

The town is required to deposit funds into a local hospitality tax fund maintained separately from the general fund in accordance with state law. The town's use of hospitality funds is for tourism related activities and improvements.

Those establishments responsible for local hospitality tax collections are any business, private club, or non-profit institution other than a private club which has a fixed place of operations, or uses a mobile device on a regular basis, within the town and which from that location or device sells prepared meals and/or beverages inclusive of alcoholic beverages, beer, wine, whether for on premises consumption, take out, or delivery. As used in this definition, non-profit institution shall include any medical, educational, or social service facility which makes the service of prepared meals and beverages available for sale to the public at large on a regular basis.

The hospitality tax collected shall be remitted to Spartanburg County.

A prepared meal would be 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 by members of the public, regardless of the actual quantity, presentation, or packaging, without regard to the time of day of the sale.

Establishments 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.
Some examples are:

- Heated Foods (muffins, bagels, etc.)
- Oven ready pizzas (including the sale of individual slices)
- Nachos, hot dogs, sandwiches made to order in advance
- Oven fried or rotisserie chicken
- Hot and cold side items (e.g. vegetables, macaroni and cheese, mashed potatoes, potato salad, cole slaw, etc...)
- Fountain drinks, frozen drinks dispensed from a fountain machine (e.g. smoothies), coffee, tea, hot chocolate, cappuccino
- Ice cream, dipped or prepared in parlors, frozen yogurt
- Doughnuts, pastries, and other bakery items which are prepared or modified
- Prepared sandwiches and salads
- Foods and beverages prepared for catering
- Bulk and cold deli products "repackaged" for household consumption
- Party platters

These items are **EXEMPT** from the Local Hospitality Tax:

- Canned or bottled drinks
- Pre-packed foods-not prepared or modified
- Bags of chips, nuts, candy or other pre-packaged snack food items
- Any alcoholic beverage, including beer and wine that is sold in Cans or bottles and is not intended for consumption on the premises
- Whole fruit consolidated into a basket

Forms and payment information regarding Hospitality Tax can be found on the Spartanburg County website at **www.spartanburgcounty.org**.

STATE OF SOUTH CAROLINA)
COUNTY OF SPARTANBURG)
TOWN OF PACOLET)

Ordinance No. 5.16.010

AN ORDINANCE FOR THE PURPOSE OF ESTABLISHING A LOCAL HOSPITALITY TAX TO APPLY TO ALL ESTABLISHMENTS WHICH SELL PREPARED MEALS AND BEVERAGES LOCATED WITHIN THE TOWN OF PACOLET.

WHEREAS, the Town of Pacolet, South Carolina (the "Town") wishes to build and enhance the facilities that serve tourists who visit the Town; and

WHEREAS, the Town wants to more strongly support the public services that are available to tourists in order to promote and further encourage tourism in the Town; and

WHEREAS, Article 7 Chapter 1 of Title 6 of the Code of Laws of South Carolina 1976, as amended (the "Code"), 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 sold in establishments within the Town (the "Local Hospitality Tax"); and

WHEREAS, the Town finds that a one percent (1%) Local Hospitality Tax upon the sales of prepared meals and beverages sold in establishments in the Town, will result in revenues which will be used for the dedicated purpose of improvement services and facilities for tourists which constitutes a public purpose of the Town; and

NOW THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Town of Pacolet in meeting duly assembled, pursuant to Section 6-1-700, et. Seq. of the Code, as follows:

Section 1. There is hereby imposed a Local Hospitality Tax of one percent (1%) on the gross proceeds derived from the sales of prepared meals and beverages sold in or by establishments within the Town.

Section 2. Payment of Local Hospitality Tax.

(a) Payment of the Local Hospitality Tax established herein shall be the liability of the consumer 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"). Spartanburg County ("County") on behalf of the Town 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 the County and Town. 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 fifty dollars (\$50.00) a month, on a quarterly basis when the estimated amount of average Local Hospitality 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 Local Hospitality Tax is less than twenty-

Ordinance No. 5.16.010

five dollars (\$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.

Section 3. Local Hospitality Tax Special Revenue Fund

An interest-bearing, segregated and restricted account to be known as the "Town of Pacolet 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 4. Distribution of Funds

The Town Council shall distribute amounts in the Fund in accordance for purposes to include but are not limited to tourism related capital projects, the support of tourism and tourist services in a manner that will best serve the tourists from whom it was collected. It shall be the responsibility of the Town Council and the Town Administrator as their designee to ensure that any and all money expended from the Fund shall be spent for purposes permitted under the Act.

Section 5. This Ordinance is subject to the constitution and laws of the State of South Carolina. If any section, phrase, sentence or portion of this Ordinance is for any reason held 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 hereof.

Section 6. This Ordinance shall become effective upon second reading. The Local Hospitality Tax shall commence being collected by the establishments subject to this Ordinance on April 7, 2011, and remittance of the Local Hospitality Tax shall commence in the manner referenced in Section 2 herein.

DONE AND RATIFIED IN MEETING DULY ASSEMBLED, BY POSITIVE MAJORITY, THIS 7th DAY OF April, 2011.

First Reading March 3, 2011
Second Reading April 7, 2011

Elaine O. Harris
Mayor

ATTEST:

Ami C. Kirby
Administrator