

## Lancaster County, SC HOSPITALITY TAX GUIDELINES & QUESTIONS

### GENERAL INFORMATION

1. What is a Local Hospitality Tax?

The Local Hospitality Tax is a tax in the amount of two percent (2%) imposed by Lancaster County on the sales of all prepared food and beverages sold in establishments within the unincorporated areas of Lancaster County.

2. What is considered prepared meal and beverage?

Any product prepared or modified by an establishment that is sold ready for consumption either on-premises or off-premises. It includes alcoholic beverages, beer, or wine.

3. What can the tax funds be used for?

By State statute, the funds are restricted to tourism related projects:

**SECTION 6-1-730.** Use of revenue from local hospitality tax.

(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.

4. Who is responsible for paying the tax?

Consumers of the affected establishments are to be charged the tax when the delivery of the services for which the tax applies and the provider of the services shall collect the tax.



## Lancaster County, SC HOSPITALITY TAX GUIDELINES & QUESTIONS

5. What methods of payments are available?

The tax should be remitted to Lancaster County and **NOT** the Department of Revenue. Payments can be made by cash, check, or on-line. The tax form must accompany the cash or check payment. Checks should be made payable to the Lancaster County Treasurer.

The **County Finance Department** is responsible for the administration of the tax.

Online: [bit.ly/Lancaster-Taxes](https://bit.ly/Lancaster-Taxes)

Checks should be sent to:

Lancaster County  
Attn: Hospitality Tax  
PO Box 1809  
Lancaster, SC 29721

In-person (cash or check only):

101 North Main Street (Finance Department)  
Lancaster, SC 29720

6. When is the Local Hospitality Tax due and remittance?

The tax is due depending upon the estimated average tax due:

Monthly- Avg. tax due is more than fifty (\$50) dollars per month;

Quarterly- Avg. tax due is twenty-five (\$25) to fifty (\$50) dollars per month;

Annually- Avg. tax is less than twenty-five (\$25) dollars per month.

Taxes and remittances are due by the 20<sup>th</sup> of the month following the closing of the reporting period. Remittance must be postmarked on or before the 20<sup>th</sup>.

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7. When are taxes considered late and what are the penalties?  
Remittances are considered late if they are paid or postmarked after the due date for the period reporting. A 5% penalty per month based upon the original amount of tax due.

8. What example of items the tax applies to?

Restaurants/Bars/Lounges/Hotels/Private Clubs or Similar Establishments

- All food and/or beverage sales including alcoholic beverages

Convenience Stores/Grocery Stores Delicatessens or Other Food Establishments

- All food and/or beverage sales prepared or modified and ready for consumption including:
  - Heated foods
  - Hot dogs/sandwiches made to order or in advance
  - Oven fried or rotisserie chicken
  - Hot and cold side items
  - Fountain drinks
  - Doughnuts, pastries, and other bakery items which are prepared or modified

Amusement Parks/Theaters

- Fountain drinks, popcorn, heated nachos, etc.

EXEMPTIONS Include: Canned or bottled drinks, pre-packaged foods, pre-packaged snack items, alcohol/beer/wine not intended for consumption on the premises.

### INSPECTIONS AND AUDITS

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



## **Lancaster County, SC HOSPITALITY TAX GUIDELINES & QUESTIONS**

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.

Records of inspections shall not be deemed public records.

### **VIOLATIONS AND PENALTIES**

It shall be a violation of this Ordinance to: fail to collect the Local Hospitality Tax as provided for in this Ordinance, fail to remit to the County the Local Hospitality Tax collected, knowingly provide false information on the form submitted to the County, or 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 this Ordinance shall be five percent (5%) per month, charged on the original amount of the Local Hospitality Tax due.

### **EFFECTIVE DATE**

The tax referenced herein shall commence being collected by the providers on which the tax applies, on January 1, 2017 and remittance of the amounts due to the County of the tax by the providers of the services which the tax applies shall commence in the manner referenced herein.

### **CONTACT INFORMATION**

Email: [hospitalitytax@lancastercountysc.net](mailto:hospitalitytax@lancastercountysc.net)

Call: 803-416-9385 or 803-416-9301