

NOTICE

This packet contains all the necessary forms, notices, etc... you should need when submitting your Hospitality Fee to the Town of Pendleton.

Payments to the Town of Pendleton should be made monthly, quarterly, or annually, depending on the total gross revenue of your business. Please see enclosed Ordinance No. 06-02 Section 3, for explained details.

Invoices from the Town of Pendleton will NOT be mailed to you. To make reporting more convenient for you, please use the enclosed forms when submitting your payments.

PLEASE READ ATTACHED NOTICE EXPLAINING WHO WOULD PAY THE 2% HOSPITALITY FEE.

THANK YOU.

Town of Pendleton

Mayor
Frank Crenshaw

Council Members
Lyn Merchant
Barbara Hamberg
Vince Gaulin
Jeff Van Drie

Municipal Complex
310 Greenville Street
Pendleton, SC 29670
864-646-9409
www.townofpendleton.org



Administrator
Steve Miller
Administration Supervisor
Amyee R. Crawford

Dear Merchant,

The Town of Pendleton adopted Ordinance No. 06-02, which established a two percent (2%) Hospitality Tax on the purchase of prepared food and beverages (for immediate consumption or carry out) by a restaurant, hotel, motel, caterer or other food service facility within the town. In addition, the tax shall be imposed on all food and beverages prepared or modified in the town limits by convenience stores or grocery stores that have specified areas where food and beverages are prepared for immediate consumption or carry out. This tax applies to meals and beverages sold in establishments licensed for on-premise consumption of alcoholic beverages, beer or wine. This tax does not apply to an organization that is exempt from collecting sales tax. You received this letter because some or all of your sales may be subject to this tax and to explain the purpose of the two percent (2%) hospitality tax and the implementation procedure.

Please remember that this tax is to be escrowed by you from your customers and is not a tax directed at you. The funds collected from the hospitality tax will be used for promoting tourism along with restoring Town infrastructure. It is hoped that these projects will make Pendleton a more attractive place to visit and that additional initiatives will stimulate more tourism business for you.

The Hospitality Tax has been in effect since August 1, 2005. Since your business was annexed into the Town Limits of Pendleton, you should begin collecting the Hospitality Tax on January 1, 2017. I have enclosed information and forms to assist you in collecting, reporting and remitting this tax and a NOTICE for you to post in your business. Please note that a check for the total hospitality tax due is to be attached to the completed reporting form and mailed to: Town of Pendleton, Hospitality Tax, 310 Greenville Street, Pendleton, SC 29670. Due dates will be no later than the 20th of each month. Your first Hospitality Tax will be due on February 20, 2017.

If you inadvertently become delinquent in your remittance of these taxes, please notify me at your earliest convenience of the nature of the delinquency and when we should expect remittance.

I hope this information will be helpful to you. If you have any questions regarding the use or purpose of the Hospitality Tax, please do not hesitate to call.

Sincerely,

Amyee Crawford
Administration Supervisor

First Reading 4-3-06
Second Reading 5-1-06

ORDINANCE NO. 06-02

AN ORDINANCE TO AMEND ORDINANCE NO. 05-06, PROVIDING FOR A LOCAL HOSPITALITY TAX, ON THE SALES OF PREPARED MEALS AND BEVERAGES IN ESTABLISHMENTS, AND ON ESTABLISHMENTS LICENSED FOR ON-PREMISE CONSUMPTION OF ALCOHOLIC BEVERAGES, BEER OR WINE

WHEREAS, the General Assembly of the State of South Carolina amended Title 6, Chapter 1, of the 1976 Code to provide for a Local Hospitality Tax, effective July 1, 1997;

NOW, THEREFORE, BE IT ORDAINED, by the Mayor and Council of the Town of Pendleton in Council 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 2% on the gross proceeds derived from the sale of prepared food and beverages (for immediate consumption or take out) by a restaurant, hotel, motel, caterer or other food service facility within the town. In addition, the fee shall be imposed on all food and beverages prepared or modified in the town limits by convenience stores, or grocery stores that have specified areas where food and beverages are prepared for immediate consumption or carry out. This fee applies to meals and beverages sold within the Town of Pendleton (hereinafter "vendor"). Payment of the hospitality tax established hereby shall be the liability of the customer.

Section 2. The tax imposed by this ordinance shall be collected from the customer when payment for meals or beverages is tendered and shall be held in trust for the benefit of the Town until remitted as provided in Section 3 below.

Section 3. **(a)** Payment of the hospitality tax established herein shall be the liability of the consumer of the services for items described in Section 1. The hospitality tax shall be paid at the time of delivery of the services or items to which the hospitality tax applies and shall be collected by the provider or seller of the items. The hospitality tax collected by the seller or provider of the items are required under Section 1 shall be remitted to the Town of Pendleton as follows;

1. On a monthly basis when estimated amount of average collections is more than \$50.00 a month (annual gross revenue in excess of \$20,000.00).
2. On a quarterly basis when the estimated amount of average collections is between \$25.00 to \$50.00 a month (annual gross receipts between \$10,000.00 to \$20,000.00).
3. On an annual basis when the amount of average collections is less than \$25.00 a month (annual gross receipts less than \$10,000.00).

(b) Total collections and required reports shall be submitted to the Town of Pendleton by the 20th day of the month and shall cover sales for the previous month. A copy of the completed South Carolina State Sales and Use Tax Return Form (Form ST-3) shall be attached along with the required reports. Payments covered under the provisions of subsection **3(b)** shall be postmarked quarterly by the twentieth (20th) day of January, April, July and October for the previous quarterly sales or annually by January twentieth (20th) for the calendar year sales as provided in subsection **3(c)**. Any collections not remitted by the above stated deadlines shall be subject to a penalty of five percent (5%) of the unpaid amount for each calendar month or portion thereof after the due date until paid. The failure to collect from patrons the amount imposed by this ordinance shall not relieve any establishment subject to this article from making the required remittance.

Section 4. The failure of any vendor subject to this ordinance to remit to the Town the tax imposed by the provisions of this ordinance shall constitute a misdemeanor punishable by a fine of not more than \$500.00 or imprisonment for up to thirty (30) days, or both.

Section 5. There is hereby established a special account to be known as the Local Hospitality Tax Account into which the taxes remitted shall be deposited by the Town and used solely for the purposes provided by law.

Section 6. This ordinance is subject to the constitution and the 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 holding shall not affect the validity of the remaining portions thereof.

Section 7. This ordinance shall be come effective May 1, 2006.

DONE AND RATIFIED IN COUNCIL DULY ASSEMBLED, BY POSITIVE MAJORITY, THIS 1st DAY OF May, 2006.

MAYOR: Carrie Bradt

COUNCIL

WARD 1: Bruce Keeley

WARD 2: Andrea Gantt

WARD 3: _____

WARD 4: James D. Culver



2% HOSPITALITY FEE on Modified or Prepared FOOD & BEVERAGES

Who would pay the 2% Hospitality Fee on prepared or modified foods & beverages?

- Restaurants
- Grocery and convenience stores. (If they sell prepared or modified foods and/or beverages)
- Bars and lounges
- Other food service establishments
- Bakeries

RESTAURANTS

What sales are affected by the Hospitality Fee for restaurants, bars, and other food service establishments?

- All food and beverage sales

CONVENIENCE STORES, GROCERY STORES, & OTHER FOOD SERVICE FACILITIES

What sales are affected by the Hospitality Fee for convenience stores, grocery stores, & other food service facilities?

- All foods and/or beverage sales prepared or modified as a meal for immediate consumption.

EXAMPLES:

- Fountain Drinks
- Heated foods (pizza, nachos, hot dogs, sandwiches, chicken, etc.)
- Prepared sandwiches and salads
- Sliced meat and vegetable trays

What are some examples of prepared and/or modified food and beverages EXEMPT from the Hospitality Fee which are sold by convenience store and grocery stores?

- Pre-packaged foods
- Bulk or packages cold deli products
- Canned & bottled drinks

HOSPITALITY REMITTANCE REPORTING FORM

Name and Address of Business:

Filing Period: Month _____ Year _____

F.E.I. or S.S. # _____

Contact Name _____

Contact Phone _____

COMPUTATION OF HOSPITALITY AMOUNT DUE

1. Hospitality Fee/Tax	$\$ \text{_____} \times .02$ <small>Gross Taxable Sales</small>	$\$ \text{_____}$
2. Plus Penalty on Delinquencies**	$\$ \text{_____} \times \text{_____} \times .05$ <small>Line 1 # of months late</small>	$\text{+ } \text{_____}$ $= \$ \text{_____}$
3. TOTAL AMOUNT DUE		

This return covers the period through the last day of the month and becomes delinquent after the 20th day of the following month.

In those months that the 20th day of the month falls on a weekend or Town holiday; the deadline will be on the next business day for the Town of Pendleton.

**PENALTY on delinquencies – a penalty of 5% (.05) for each month or portion thereof after the due date until paid.

I certify that all of the information stated above is true and accurate to the best of my knowledge and belief. I understand that the Town of Pendleton assesses penalties for making false or fraudulent statements on this reporting form.

Filed By: _____ Date: _____

Return to: Town of Pendleton, Hospitality Tax, 310 Greenville St. Pendleton, SC 29670

Please remit a copy of your South Carolina State Sales and Use Tax Return (ST-3) along with this form.