

AN ORDINANCE TO AMEND THE SULLIVAN'S ISLAND CODE OF
ORDINANCES BY ADDING CHAPTER 24, ESTABLISHING A HOSPITALITY TAX
FOR THE TOWN OF SULLIVAN'S ISLAND.

WHEREAS, Article 7, Chapter 1, Title 6 of the South Carolina Code of Laws allows a municipality the authority to establish a hospitality tax, not to exceed two (2) percent of charges for food and beverages; and

WHEREAS, the Sullivan's Island Town Council finds that with the growth of visitors to eating and drinking establishments on the Island it is in the Town's best interest to establish a hospitality tax for the Town of Sullivan's Island pursuant to the above referenced authority; and

WHEREAS, establishments serving meals and beverages serve the citizens of the Town, such businesses cater to the visiting population; and

WHEREAS, the increase in business patronage increases the demands upon the infrastructure and services provided by the Town; and

WHEREAS, the Town Council finds it to be in furtherance of the general welfare to assist in lessening the impact that the increase in establishments serving meals and beverages impose upon the Town; and

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND TOWN COUNCIL IN MEETING DULY ASSEMBLED, that the Town of Sullivan's Island Code of Ordinances is hereby amended to add Chapter 24 which is to read as follows:

Section 24-1 Hospitality Tax

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- A. There is hereby imposed a tax of two (2%) percent on the gross proceeds derived from the sale of prepared meals, food, and beverages sold in establishments, or sales of prepared meals, food and beverages sold in establishments licensed for on-premises consumption of alcoholic beverages, beer or wine, and is imposed on every person engaged in the business of furnishing food and beverage services, whether dine in or take out, within the Town of Sullivan's Island.
- B. The tax impose by this Ordinance shall be collected from any patron when he/she tenders payment for his/her meal, food, or beverage and shall be held in trust for the benefit of the Town until the same is paid to Charleston County as herein after provided. Every establishment subject to this hospitality tax shall, on the date or within the time period hereinafter prescribed, make a return to Charleston County on forms provided by the office delineating gross proceeds of sales of prepared meals, food, and beverages for the previous month, and the amount of the tax due by virtue of the Chapter 24. At the time the return is filed, the full amount of any tax due hereunder shall be remitted. Taxes and required reports shall be submitted to Charleston County by the twentieth (20th) day of the month and shall cover sales of the previous month. Any taxes not remitted in a timely fashion

shall be subject to a penalty of twenty-five (25%) percent. The failure to collect from patrons shall not relieve any establishment subject to these requirements from making the required remittance.

- C. A special account shall be established, known as the hospitality tax account, into which all monies remitted to the Town under this Chapter 24 shall be deposited. Any and all funds in the hospitality tax account, including any interest as may accrue, shall be use for the purposes as set forth in Section 6-1-730 of the South Carolina Code of Laws, as may be amended from time to time.
- D. For the purpose of enforcing this Chapter 24, the Town Administrator, the Building Inspector, or the Charleston County Business License User Fee Department or other authorized agent of the Town is empowered to enter upon the premises of any person or entity subject to this Chapter 24 and to make inspections, and examine and audit books and records. It shall be unlawful for any person or entity 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 false information has been filed by the remitter, the cost of the audit shall be added to the amount of fees determined to be due. Records of inspections shall not be deemed public records.

Violations

It shall be a violation of this Ordinance to:

- a. Fail to collect the Municipal Hospitality Tax in connection with the sale of meals, food, and beverages;
- b. Fail to remit to Charleston County or other designee taxes collected pursuant to this Ordinance on a monthly basis;
- c. Provide false information on the form of return submitted to Charleston County or other designee;
- d. Fail to provide books and records to the Town or other authorized agent for the purpose of an audit with 24 hours notice;
- e. Fail to comply with any other specific provisions or requirements of this Chapter 24.

The failure of an establishment to remit to the County the required taxes when due shall constitute a misdemeanor, punishable by a fine of not more than \$500 or imprisonment for up to thirty (30) days, or both. Notwithstanding the foregoing, any misrepresentation of the information required by returns as set forth in subsection hereof or the failure to collect or timely remit to the County the taxes imposed by this Chapter may result in the suspension and/or revocation of the business license of the offending establishment, as may be determined.

If any section, phrase, sentence or portion of this Chapter 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.

Ratified this 21st day of January, 2003.

TOWN OF SULLIVAN'S ISLAND

By: _____
J. Marshall Stith, Mayor

ATTEST:

Town Clerk

First Reading: 10-15-02
Second Reading: 11-19-02
Third Reading: 12-17-02