



FOUNTAIN INN

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Hospitality Tax Booklet

2% Local Hospitality Tax

January 1, 2020 – December 31, 2020

City of Fountain Inn
200 N Main Street
Fountain Inn, SC 29644

www.fountaininn.org

Phone: (864)862-4421

Fax: (864)862-4812

January 13, 2020

Dear Business Owner:

The City of Fountain Inn is pleased to provide you with a Hospitality Tax payment booklet for 2020. In this booklet you will find the following information:

- A list of frequently asked questions regarding hospitality tax.
- A schedule of payments page to record your hospitality payments.
- A credit card authorization form.
- One Pre-printed form
- Also please note, the 2009-006 amendment to Section 18-5 Fountain Inn Municipal Code in the “Fountain Inn Municipal Codes” section of the booklet.

We trust this booklet will be a useful tool in managing the Hospitality Taxes for your business. If you have questions concerning the Hospitality Tax program or need assistance with the reporting procedure, please contact Naomi Reed, Finance Director, at naomi.reed@fountaininn.org or (864)862-6474 or Sandra Woods, City Clerk, at sandra.woods@fountaininn.org or (864)862-0882.

Sincerely,
Naomi B. Reed
Finance Director



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City of Fountain Inn, South Carolina Local Hospitality Tax Information Frequently Asked Questions

What is a local hospitality tax? The Fountain Inn City Council authorized the levy of a two percent (2%) local hospitality tax on prepared meals and/or beverages, inclusive of alcoholic beverages, beer and wine sold in establishments effective April 14, 2005.

Does the hospitality tax reduce my business earnings? No, 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 remitted to the City of Fountain Inn. See Section 18-5(c) of the Fountain Inn Municipal Code.

*“Payment of the Local Hospitality Tax established herein shall be the liability of the consumer of the services. The tax shall be paid at the time of delivery of the services to which the tax applies, and shall be collected by the provider of the services. The city shall promulgate a form of return which shall be utilized by the provider of services to calculate the amount of Local Hospitality Tax collected and due. This form shall contain a sworn declaration as to the correctness thereof by the provider of the services.” **Please note: Hospitality taxes collected from patrons should not be used as operating income for the business.***

Where does this tax money go? The city is required to deposit the funds into a local hospitality tax fund maintained separately from the general fund in accordance with state law. The city’s use of hospitality tax funds is for tourism related activities and improvements.

What is the definition of an establishment responsible for local hospitality tax collections? An establishment shall mean any business, private club, or nonprofit institution other than a private club which has a fixed place of operations, or uses a mobile device on a regular basis, within the city and which from that location or device sells prepared meals and/or beverages inclusive of alcoholic beverages, beer, and wine, whether for on premises consumption, take out, or delivery. As used in this definition, nonprofit 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.

Which business types are required to collect and remit this money to the city? Restaurants, bars and lounges, private clubs, hotels and motels, caterers, grocery stores, convenience stores (if they sell prepared or modified foods and/or beverages) and other food service establishments.

How will this tax be remitted to the City of Fountain Inn? The hospitality tax collected shall be remitted to the city on the reporting form provided in this booklet. **The forms must be postmarked by the 20th day of the month following the closing date of the period for which the tax payment is to be remitted.** For example, taxes collected in January 2020 must be postmarked by February 20, 2020. If your form and payment is not received by the 20th day of the month a penalty and \$500 Administrative Fee will be charged. **THE PENALTY WILL NOT BE WAIVED.**

The tax must be remitted:

- On a monthly basis when the estimated amount of tax is more than \$50.00 a month. The closing date is the last day of the month.
- On a quarterly basis when the estimated amount of tax is \$25.00 to \$50.00 per month. The closing dates are the last days of the months of March 2020, June 2020, September 2020 and December 2020.
- On an annual basis when the estimated amount of average tax is less than \$25.00 a month. The closing date is the last day of December 2020.
- **A form must be remitted even if you have no sales for the month.**

What is considered a prepared meal? 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.

What sales are affected by the Local Hospitality Tax?

Restaurants/Bars/Lounges/Private Clubs/Hotels/Motels/Caterers:

All food and/or beverage sales including alcoholic beverages.

Convenience Stores, Grocery Stores, and Other Food Service Establishments:

All food and/or beverage sales prepared, 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 or made 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 or cold deli products “repackaged” for household consumption

Party Platters

Salads made on site

Popcorn made on site

These items are EXEMPT from the Local Hospitality Tax:

Canned or bottled drinks

Pre-packaged foods – not prepared or modified

Bags of chips, pretzels, nuts, candy or other pre-packaged snack food items

Any alcohol, 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

What happens if my hospitality tax form is postmarked after the 20th day following my closing period? Returns with a **U.S. mail postmark date (not metered date)** on or before the date due are considered as timely filed. If the 20th day of the month falls on a Saturday, Sunday, postal service holiday or city holiday, then payments postmarked or made at City Hall on the next business day will be accepted as timely filed. A 1.5 % late fee is imposed on the unpaid tax for each month, or portion thereof, after the due date until paid along with a \$500 administrative fee.

Can I pay my hospitality taxes with a credit card? Yes. We will accept a credit card in person or you may pay with a credit card online at www.fountaininn.org.

Where should I send my hospitality tax payments? The reporting form and payment should be delivered or mailed to:

City of Fountain Inn
Attn: Hospitality Tax
200 N Main St
Fountain Inn, SC 29644

What happens if I lose my booklet? If you lose your booklet please visit our website at www.fountaininn.org and download the forms for the remainder of the year or contact Fountain Inn City Hall at (864)862-4421. Booklets will be mailed to businesses each January.

How long do I need to keep my records? Every business required to remit taxes shall maintain books and records showing the taxes due for a period of five years after the tax is due. The City of Fountain Inn, shall have access to these books and records to assure compliance with the city code.

What happens if I fail to make the required hospitality tax payments? Local hospitality taxes remaining unpaid after the due date will be charged a penalty and \$500 Administrative fee. You will be sent a Notification of Hospitality Tax Violation. The city may proceed with all available procedures under the law including, but is not limited to, a Municipal Summons to appear in Municipal Court, and/or revocation of an establishment's business license. See Section 1-10 of the Fountain Inn Municipal Code.

“Whenever in this Code or in any ordinance of the city or in any ordinance of the city or in any rule, regulation or order promulgated by any officer or agency of the city under authority duly vested in him or it, any act is prohibited or is made or declared to be unlawful or an offense or a misdemeanor, or whenever in such Code or ordinance or rule or regulation or order the doing of an act is required or this failure to do any act is declared to be unlawful or offense, where no specific penalty is provided therefor, the violation of any such provisions of this Code or any such ordinance or rule, regulation or order shall be punished by a penalty as provided in S.C. Code 1976, Section 5-7-30; provided such penalty shall not exceed the penalty provided by state law for a similar offense. Except where otherwise provided, each day any violation of any provision of this Code or of any ordinance, rule, regulation or order shall continue shall constitute a separate offense.”

If I own more than one business that is required to remit hospitality taxes, do I have to send a separate check for each location? No, one check for all locations will be acceptable. However, please submit a separate hospitality tax form for each location, and mail the check and forms together.



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**City of Fountain Inn, South Carolina
Local Hospitality Tax
Summary of Payments**

<u>Taxes Collected During Month</u>	<u>Postmarked by Due Date</u>	<u>Amount Paid</u>	<u>Check Number</u>
January 2020	February 20, 2020		
February 2020	March 20, 2020		
March 2020	April 20, 2020		
April 2020	May 20, 2020		
May 2020	June 20, 2020		
June 2020	July 20, 2020		
July 2020	August 20, 2020		
August 2020	September 20, 2020		
September 2020	October 20, 2020		
October 2020	November 20, 2020		
November 2020	December 20, 2020		
December 2020	January 20, 2021		



200 N. Main Street ~ Fountain Inn, SC 29644 ~ 864-862-4421 Fax 864-862-4812 www.fountaininn.org

LOCAL HOSPITALITY TAX RETURN

BUSINESS NAME: _____

BUSINESS ADDRESS: _____

BUSINESS PHONE: _____

EMAIL: _____

CONTACT PERSON & TITLE: _____

**RETAIL LICENSE NUMBER or
USE TAX REGISTRATION NUMBER:** _____

EIN/SSN: _____

PERIOD BEGINING: _____ **PERIOD ENDING:** _____
Month/Day/Year Month/Day/Year

IMPORTANT: This return IS DUE on the 20th day of the month of the month following the period ending date, or on the next business day if the 20th is not a business day.

1.	Gross Proceeds derived from sales of prepared meals and beverages	
2.	Tax Rate	X .02
3.	Total Tax Due	
4.	Add Interest due if tax is not paid by the 20 th : 1 1/2% per month (18% per annum) (Line 3 X .015 X Number of Months Late) (FEE WILL NOT BE WAIVED)	
5.	Add \$500 Administrative fee if tax is not postmarked or paid by the 20 th . (FEE WILL NOT BE WAIVED)	
6.	Total Due (Add lines 3, 4 & 5)	

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.

Taxpayer Signature

Title

Date

Print Signature

MAIL TO:
CITY OF FOUNTAIN INN
200 NORTH MAIN STREET
FOUNTAIN INN, SC 29644