

AN ORDINANCE

TO AMEND SECTION 2-270 OF THE CODE OF THE CITY OF CHARLESTON TO PROVIDE FOR A UNIFORM HOSPITALITY TAX OF TWO PERCENT ON THE GROSS PROCEEDS DERIVED FROM THE SALES OF PREPARED MEALS AND BEVERAGES SOLD IN OR BY ESTABLISHMENTS OR THE SALES OF PREPARED MEALS AND BEVERAGES SOLD IN OR BY ESTABLISHMENTS LICENSED FOR ON-PREMISES CONSUMPTION OF ALCOHOL, BEER OR WINE AND TO PROVIDE THAT THE DIRECTOR OF REVENUE COLLECTIONS IS EMPOWERED TO MAKE INSPECTIONS TO AUDIT BOOKS AND RECORDS FOR PURPOSES OF ENFORCING THE PROVISIONS OF THIS ORDINANCE.

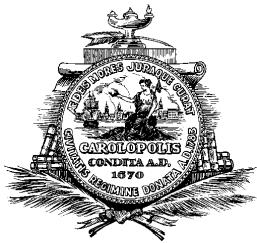
BE IT ORDAINED BY THE MAYOR AND CITY COUNCILMEMBERS OF CHARLESTON, IN CITY COUNCIL ASSEMBLED:

Section 1. Section 2-270 of the Code of the City of Charleston is hereby amended by deleting said section in its entirety and by substituting in its place and stead a new Section 2-270 to read as follows:

Section 2-270. Municipal Hospitality Tax

(a) Municipal Hospitality Tax

There is hereby imposed a uniform tax of two percent (2%) on the gross proceeds derived from the sales of prepared meals, food, and beverages sold in or by establishments, or sales of prepared meals, food and beverages sold in or by establishments licensed for on-premises consumption of alcoholic beverages, beer or wine.

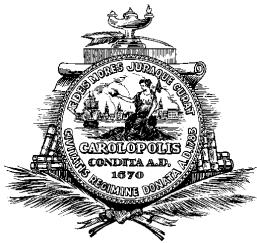


(b) Payment of Municipal Hospitality Tax

The tax imposed by this Ordinance shall be collected from any patron when he tenders payment for his meal, food, or beverage and shall be held in trust for the benefit of the City until the same is paid to the Director of the Revenue Collections Division as hereinafter provided. Every establishment subject to this Ordinance shall, on the date or within the time period hereinafter prescribed, make a return to the Revenue Collections Division of the City 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 this Ordinance. 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 the Revenue Collections Division by the twentieth (20) day of the month and shall cover sales of the previous month. If the due date for reporting and payment falls on a Saturday or Sunday, or a Federal, State, or City of Charleston observed holiday then reporting and payment are considered timely on the following business day. Furthermore, if the due date for reporting and payment falls during the period of a natural disaster which directly precluded the responsible party from timely submitting the reports and payments, an additional ten (10) day extension may be granted upon written request by the taxpayer to the Director of the Revenue Collections Division. A natural disaster is defined as a hurricane, earthquake, flood, or tornado. The responsible party is considered directly precluded from timely submitting reports and payments if their offices are deemed by emergency officials to be damaged to the extent of being unsafe or unavailable for use due to the disaster or postal service to the immediate area is suspended during the due date. Any taxes not timely remitted shall be subject to a penalty of twenty-five (25%) percent. The failure to collect from patrons the tax imposed by this Ordinance shall not relieve any establishment subject to this Ordinance from making the required remittance.

(c) Hospitality Tax Account

There is hereby established a special account, to be known as the hospitality tax account, into which all monies remitted to the City under this Ordinance shall be deposited. Any and all funds in the hospitality tax account, including any interest as may accrue thereon, shall be used only for the purposes as set forth in S.C. Code Ann. Sec. 6-1-730, as the same may from time to time be amended.



(d) Inspections, Audits and Administration

For the purpose of enforcing this Ordinance, the Director of the Revenue Collections Division or other authorized agent of the City is empowered to enter upon the premises of any person or entity subject to this Ordinance 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 written notice. In the event an audit reveals that false information has been filed by the remitter, the cost of the audit shall be added to the correct amount of fees determined to be due. The Director of the Revenue Collections Division or other authorized agent may make systematic inspections of all establishments within the City to ensure compliance with this Ordinance. The Director of the Revenue Collections Division shall administer the provisions of this Ordinance and make reasonable regulations relating to its administration.

(e) Violations

It shall be a violation of this Ordinance to:

1. Fail to collect the Municipal Hospitality Tax in connection with the sale of meals, food, and beverages;
2. Fail to remit to the City the taxes collected pursuant to this Ordinance on a monthly basis;
3. Provide false information on the form of return submitted to the City;
4. Fail to provide or make available books and records to the Director of Revenue or other authorized agent for the purpose of an audit upon 24 hours written notice; or,
5. Fail to comply with any other specific provision/requirement of this Ordinance.

The failure of an establishment subject to this Ordinance to remit to the City the taxes required by the Ordinance, as and when due, shall constitute a misdemeanor, punishable by a fine of not more than \$500.00 or imprisonment for up to thirty (30) days, or both. Notwithstanding the foregoing, any misrepresentation of the information required by return(s) as set forth in subsection (b) hereof or the failure to collect or timely remit to the City the taxes imposed by this Ordinance shall result in the suspension and/or revocation of the business license of the offending establishment, or the business license of the offending establishment shall not be renewed, as may be determined, after a

(Hospitality Ordinance)



hearing by the Business License Committee. At least ten (10) days notice of such hearing shall be provided to the owner of the applicable establishment.

(f) Severability

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 herein.

Section 2. This Ordinance shall be effective as of November 9, 2004.