



Ratification
Number 2025-152

AN ORDINANCE

AN ORDINANCE ADOPTING THE LATEST STANDARDIZED BUSINESS LICENSE RATE SCHEDULE AND LATEST STANDARDIZED BUSINESS LICENSE CLASS SCHEDULE PURSUANT TO CITY CODE SECTION 17-36; AND TO PROVIDE FOR ADDITIONAL REASONABLE SUBCLASSIFICATIONS **(AS AMENDED)**

WHEREAS, the City of Charleston (the "Municipality") is authorized by S.C. Code Section 5-7-30 and Title 6, Chapter 1, Article 3 to impose a business license tax on gross income;

WHEREAS, the Standardization Act requires that by December thirty-first of every odd year, each municipality levying a business license tax must adopt, by ordinance, the latest Standardized Business License Class Schedule as recommended by the Municipal Association of South Carolina (the "Association") and adopted by the Director of the Revenue and Fiscal Affairs Office;

WHEREAS, following the enactment of the Standardization Act, the Municipality enacted Ordinance No. 2021-158 on November 9, 2022, in order to comply with the requirements of the Standardization Act (the "Current Business License Ordinance");

WHEREAS, the Mayor and City Council of the City of Charleston (the "Council") now wish to amend the Current Business License Ordinance to adopt the latest Standardized Business License Class Schedule, as required by the Standardization Act and provide for reasonable subclassifications;

WHEREAS, S.C. Code Section 6-1-400 authorizes a municipality to provide for additional reasonable subclassifications, described by an NAICS sector, subsector or industry, based upon the enhanced or disproportionate demands by specific business subclassifications on its services or infrastructure.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the City of Charleston as follows:

SECTION 1. That Mayor and City Council of Charleston assembled adopts the latest standardized business license rate schedule and latest standardized business class

schedule pursuant to City Code section 17-36, attached as Exhibits A & B.

Section 2. Amendments to Appendix B. Appendix B to the Current Business License Ordinance (17-36) the "Business License Class Schedule," is hereby amended as follows:

(a) Classes 1 through 8 in Appendix B to the Current Business License Ordinance, the "Business License Class Schedule," are hereby amended and restated as set forth on the attached Exhibit A.

(b) Class 9 in Appendix B to the Current Business License Ordinance, the "Business License Class Schedule," shall remain in full force and effect as set forth in the Current Business License Ordinance, as amended, with the exception of the changes specified in Section 3 below.

SECTION 3. Mayor and City Council assembled hereby, having reviewed a report titled "Report on the Rational Basis of Additional Subclassifications within the City of Charleston Business License Class Schedule," prepared with the assistance of City staff, attached as Exhibit C, find by a positive majority vote that, pursuant to S.C. Code Section 6-1-400 G(2), the existence of enhanced and/or disproportionate demands on services provided by the City by these specific business subclassifications represents a rational basis for the provision of the subclassifications specified as 9.10 and 9.11 as shown on the attached Exhibit A, and thus the subclassifications specified as 9.10 and 9.11 shall be created as additional reasonable subclassifications as defined on Exhibit A.

SECTION 4. Effective Date. This ordinance shall be effective with respect to the business license year beginning on May 1, 2026.

Ratified in City Council this 2nd day of
December in the Year of Our
Lord 2025, in the 250th Year of
Independence of the United States of
America.

By:


William S. Cogswell, Jr.
Mayor, City of Charleston

Attest:


Jennifer Cook
Clerk of Council

APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
RATE CLASS	BASE RATE	RATE PER \$1,000 OR FRACTION
1	\$ 32.00	\$ 1.55
2	\$ 37.00	\$ 1.95
3	\$ 43.00	\$ 2.35
4	\$ 49.00	\$ 2.80
5	\$ 55.00	\$ 3.15
6	\$ 60.00	\$ 3.50
7	\$ 64.00	\$ 3.90
8	See individual businesses Class 8 listed below in Appendix A.	
9	See individual businesses Class 9 listed below in Appendix A.	

NON-RESIDENT RATES

Unless otherwise specifically provided, all taxes and rates shall be doubled for nonresidents and itinerants having no fixed principal place of business within the municipality.

DECLINING RATES

Declining Rates apply in all Classes for gross income in excess of \$1,000,000.00 unless otherwise specifically provided for in this article.

Gross Income in\$ Millions	Percent of Class Rate for each additional \$1,000
0-4	100%
Over 4	80%

CLASS 8 RATES

Each NAICS number designates a separate subclassification. The businesses in this section are treated as separate and individual subclasses due to provisions of state law, regulatory requirements, service burdens, tax equalization considerations, and other factors that are deemed sufficient to require individually determined rates. In accordance with state law, the Municipality also may provide for reasonable subclassifications for rates, described by an NAICS sector, subsector, or industry, that are based on particularized considerations are needed for economic stimulus or for the enhanced or disproportionate demands on municipal services or infrastructure.

Non-resident rates do not apply except where indicated.

8.1 **NAICS 230000- Contractors, Construction, All Types:** [Non-resident rates apply].

Resident rates, for contractors having a permanent place of business with the municipality:

Minimum on first \$2000\$ 40.00 PLUS

Each additional 1,000.....\$ 1.65

Non-resident rates apply to contractors that do not have a permanent place of business within the municipality. A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this article.

Minimum on first \$2,000\$ 80.00 PLUS

Each additional \$1,000.....\$ 3.30

No contractor shall be issued a business license until all state and municipal qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Sub-contractors shall be licensed on the same basis as general or prime contractors for the same job. No deductions shall made by a general or prime contractor for value of work performed by a subcontractor.

No contractor shall be issues a business license until all performance and indemnity bonds required by the Building Code have been filed and approved. Zoning permits must be obtained when required by the Zoning Ordinance.

Each prime contractor shall file with the License Official a list of sub-contractors furnishing labor or materials for each project.

For licenses issued on per-job basis, the total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle the contractor to complete the job without regard to the normal license expiration date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000.00 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year. Licenses holding a per-job license shall file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess

amount.

8.2 NAICS 482-Railroad Companies: Set by statute; see S.C. Code § 12-23-210.

8.3 NAICS S1711, S17112, 517122 -Telephone Companies

The business license tax for "retail telecommunications services," as defined in S.C. Code Section 58-9-2200 shall be at the maximum rate authorized by S.C. Code Section 58-9-2220, as may be amended. The business license tax year shall begin on January 1 of each year. Declining rates shall not apply.

In conformity with S.C. Code Section 58-9-2220, the business license tax for "retail telecommunications services" shall apply to the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the Municipality and which are charged to a services address within the Municipality regardless of where these amounts are billed or paid and on which a business license tax has not been paid to another municipality. The measurement of the amounts derived from the retail sale of mobile telecommunications services shall include only revenues from the fixed monthly recurring charge of customers whose service address is within the boundaries of the municipality. For a business in operation for less than one year, the amount of business license tax shall be computed on a twelve-month projected income.

The business license tax for "retail telecommunications services" shall be due on January 1 of each year and payable by January 31 of that year without penalty.

The delinquent penalty shall be five (5) percent of the tax due for each month, or portion thereof, after the due date until paid.

Nothing in this article shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement in the event that the franchise or contractual agreement should expire after December 31. All fees collected under such a franchise or contractual agreement expiring after December 31 shall be in lieu of fees or taxes which might otherwise be authorized by this article.

As authorized by S.C. Code Section 5-7-300, the Agreement with the Municipal Association of South Carolina for collection of current and delinquent business license taxes from telecommunications companies pursuant to S.C. Code Section 58-9-220 shall continue in effect.

8.4 NAICS 5241, 5242 - Insurance Companies:

Except as to fire insurance, "gross premiums" means gross premiums written for policies for property or a risk located within the Municipality. In addition, "gross premiums" shall include premiums written for policies that are sold, solicited, negotiated, taken, transmitted, received, delivered, applied for, produced or serviced by (1) the insurance company's office located in the Municipality, (2) the insurance company's employee conducting business within the Municipality, or (3) the office of the insurance company's licensed or appointed producer (agent) conducting business within the Municipality, regardless of where the property or risk is located, provided no tax has been paid to another municipality in which the property or risk is located based on the same premium. As to fire insurance, "gross premiums" means gross premiums (1) collected in the Municipality, and/or (2) realized from risks located within the limits of the Municipality.

Solicitation for insurance, receiving or transmitting an application or policy, examination of a risk, collection or transmitting of a premium, adjusting a claim, delivering a benefit, or doing any act in connection with a policy or claim shall constitute conducting business

within the municipality, regardless of whether or not an office is maintained in the municipality.

Gross premiums shall include all business conducted in the prior calendar year. Gross premiums shall include new and renewal business without deductions for any dividend, credit, return premiums or deposit. Declining rates shall not apply.

NAICS 524113, 524114 - Life, Health, and Accident	0.75% of gross premiums
NAICS 524126, 524128 - Fire and Casualty	2% of gross premiums
NAICS 524127 - Title Insurance	2% of gross premiums
NAICS 524210- Brokers for non-admitted insurance carriers	2% of gross premiums

The business license tax for insurance companies shall be due and payable by May 31st in each year without penalty. The penalty for delinquent payments shall be five percent (5%) of the unpaid tax for each month or portion thereof after the due date until paid.

Pursuant to S.C. Code Ann. §§ 38-7-160 and 38-45-60, the Municipal Association of South Carolina is designated the municipal agent for purposes of administration of the municipal broker's premium tax. The Agreement with the Municipal Association of South Carolina for the administration and collection of current and delinquent business license taxes from insurance companies as authorized by S.C. Code § 5-7-300 and the municipal broker's premium tax shall continue in effect.

8.51 NAICS 713120- Amusement Machines, coin operated (except gambling):

Music machines, juke boxes, kiddie rides, video games, pin tables with levers, and other amusement machines with or without free play feature licensed by SC Department of Revenue pursuant to S.C. Code § 12-21-2720(A)(I) and (A)(2) [Type I and Type II].

For operation of all machines (not on gross income), pursuant to S.C. Code § 12-21-2746:

Per Machine	\$12.50 PLUS
Business license	\$12.50

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to § 12-21-2728 are not subject to Subclass 8.51.

8.52 NAICS 713290 - Amusement Machines, coin operated, non-payout:

Amusement machines of the non-payout type or in-line pin game licensed by SC Department of Revenue pursuant to S.C. Code§ 12-21-2720(A)(3) [Type III].

For operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2720(B): Per Machine.....\$180.00 PLUS
Business License\$12.50
Distributors that sell or lease machines and are not license by the states as an operator pursuant to § 12-21-2728 are not subject to Subclass 8.52.

8.6 NAICS 713990 - Billiard or Pool Rooms, all types:

(A) A business that offers the use of billiard or pool tables shall be subject to business license taxation under its natural class for all gross income of the business excluding the gross income attributable to the billiard or pool tables. In addition, the billiard or pool tables shall require their own separate business licenses pursuant to SC Code§ 12-21-2746 and shall be subject to a license of \$5.00 per table measuring less than 3 ½ feet wide and 7 feet long, and \$12.50 per table longer than that.

Minimum on first \$2,000\$43.00 PLUS
Per \$1,000, or fraction over \$2,000\$2.35

CLASS 9 RATES

9.3 NAICS 4411, 4412 -Automotive, Motor Vehicles, Boats, Farm Machinery or Retail:

(except auto supply stores - see 4413)

Minimum of first \$2,000.....\$32.00 PLUS
Per \$1,000, or fraction, over \$2,000\$1.10

One sales lot not more than 400 feet from the main showroom may be operated under license provided that processed from sales at the lota re included in gross receipts at the main office when both are operated under the same name and ownership.

Gross receipts for this classification shall include value of trade-ins. Dealer transfers or internal repairs on resale items shall not be included in gross income.

9.7 NAICS 722410, 722511- Drinking Places, bars, lounges, cabarets:

(Alcoholic beverages consumed on premises).

(a) License must be issued in the name of the individual who has been issued a State alcohol, or wine permit or license and will have actual control and management of the business. Night Clubs, Cabarets, Taverns, Restaurants, or other similar establishments, which sell or serve beer or wine or permit the consumption of alcoholic beverages on the premises after midnight and which derive thirty-five (35%) percent or more of their gross income from the sale of beer, wine and/or alcoholic beverages.

Minimum on first \$25,000.....\$610.50 PLUS
Per \$1,000, or fraction, over \$25,000\$7.90

(b) Restaurants which derive less than thirty-five (35%) percent of their gross income from the sale of beer, wine and/or alcoholic beverages and are open after midnight.

Minimum on first \$2,000\$46.26 PLUS

Per \$1,000, or fraction, over \$2,000\$2.30

An addendum to the business license application with a breakdown of total gross income and gross income derived from the sale of beer, wine and/or alcoholic beverages is required. If an establishment fails to submit an addendum or the addendum fails to separate total gross income from gross income derived from the sale of beer, wine and/or alcoholic beverages, the license fee shall be computed under the rate in Paragraph (a) above.

9.8 NAICS 541511, 511210, 334611- Computer Programming Design, Prepackaged Software Design:

Minimum on first \$2,000.....\$10.00

\$2,000.00

\$1 Million.....55¢ per \$1,000

\$1 Million - \$2 Million 10¢ per \$1,000

\$ 2 Million- \$10 Million5¢ per \$1,000

Over \$10 Million.....5¢ per \$1,000

9.9 NAICS 485310 - Taxis and other Vehicles for Hire:

Per Decal\$6.44 per year PLUS
Minimum on first \$2,000 \$37.00 PLUS
Per \$1,000, or fraction, over \$2,000\$1.95

- Subsections 9.10 and 9.11 are added to address enhanced and disproportionate demands on City services and/or infrastructure.

9.10 NAICS 721110, 721191, 721199 – Hotels and Motels, Bed and Breakfast Inns, All Other Travel Accommodation

Minimum on first \$2,000..... \$145.00 PLUS
Per \$1,000, or fraction, over \$2,000\$6.00

9.11 NAICS 531110– Lessors of Residential Buildings and Dwelling (except long term rentals, as described below.)

Excludes businesses that solely provide accommodation for a period of thirty (30) or more consecutive Days.

Minimum on first \$2,000 \$ 145.00 PLUS
Per \$1,000, or fraction, over \$2,000\$6.00

APPENDIX B: BUSINESS LICENSE CLASS SCHEDULE

NAICS Code	Industry Sector
RATE CLASS 1	
11	Agriculture, Forestry, Hunting and Fishing Utilities
22	Utilities
42	Wholesale Trade
44-45	Retail Trade
721	Accommodations
RATE CLASS 2	
21	Mining
48-49	Transportation and Warehouse
722	Food Service and Drinking Places
RATE CLASS 3	
31-33	Manufacturing
56	Administrative Support, Waste Management
61	Remediation Services
62	Educational Services
71	Health Care and Social Assistance
81	Arts, Entertainment, and Recreation, Others
	Others
RATE CLASS 4	
51	Information
54	Professional, Scientific and Technical Services
62	Health Care and Social Assistance
81	Others
RATE CLASS 6	
53	Real Estate, Rental and Leasing

531110 Lessors of Residential Buildings and Dwellings that solely provide accommodation for thirty (30) or more consecutive days. (Owners of fewer than five (5) residential units are exempted)

RATE CLASS 7

52 Finance and Insurance

55 Management of Companies

RATE CLASS 8

23 Construction

482 Rail Transportation

517111 Wired Telecommunications Carrier

517112 Wired Telecommunications Carrier (except Satellite)

517122 Agents for Wireless Telecommunications Services

5241 Insurance Carriers

5242 Insurance Brokers for Non-Admitted Insurance

713120 Amusement Parks and Arcades

713290 Non-Payout Amusement Machines

713990 All Other Amusement and Recreational Industries (pool tables)

RATE CLASS 9

4411 Automobile Dealers

4412 Other Motor Vehicle Dealers

485310 Taxis, Other Vehicles for Hire

531110 Lessors of Residential Buildings and Dwellings (excludes Businesses that solely provide accommodation for thirty (30) or more consecutive days.)

541511,511210,334611 Computer Program Design and Pre-Packaged Software Design

722410 Drinking Places (Alcoholic Beverages) (After Hours)
Food Services (After Midnight)

721110 Hotels and Motels

721191 Bed and Breakfast Inns

721199 All Other Travel Accommodation

BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Industry Sector	Class
11	Agriculture, Forestry, Hunting and Fishing	1
21	Mining	3
23	Construction	8.1
31	Manufacturing	3
33	Manufacturing	3
334611	Computer Programming Design, Pre-Packaged Software Design	9
42	Wholesale Trade	1
423930	Recycling Material Merchant Wholesale (Junk)	1
44-45	Retail Trade	1
441	Motor Vehicle and Parts Dealers	9
4411	Automobile Dealers	9
4412	Other Motor Vehicle Dealers	9
442	Furniture and Home Furnishing Stores	1
443	Electric and Appliance Store	1
444	Building Material, Garden Equipment and Supplies Dealers	1
445	Food and Beverage Stores	1
446	Health and Personal Care Stores	1
447	Gasoline Stations	1
448	Clothing and Accessories Stores	1
451	Sporting Goods, Hobby, Book and Music Stores	1
452	General Merchandise Stores	1
453	Miscellaneous Store Retailers	1
454	Non-Store Retail	1
454390	Other Direct Sale Establishments (Peddlers)	1
48-49	Transportation and Warehousing	2
482	Rail Transportation	8
485310	Taxis and Other Vehicle for Hire	2
51	Information	4
511	Publishing Industries (except 511210)	4

511210	Software Publishers	9
512	Motion Picture and Sound Recording	4
515	Broadcasting (except Internet) and Telecommunications	4
517111	Wired Telecommunications Carrier	8
517112	Wired Telecommunications Carrier (except Satellite)	8
518	Internet Service Provider, Web Search Portals and Data Processing	4
52	Finance and Insurance	7
522	Credit Intermediation and Related Activities	7
523	Securities, Commodity, Contracts and Other Financial Services	7
524	Insurance Agents, Brokers and Related Activities	7
5241	Insurance Carrier	8
5242	Insurance Brokers for Non-Admitted Insurance Carriers	8
525	Funds, Trusts and Other Financial Vehicles	7
53	Real Estate, Rental and Leasing	6
531110	Lessors of Residential Buildings and Dwellings that solely provide accommodation for thirty (30) or more consecutive days. (Owners of fewer than five (5) residential units are exempted)	6
531110	Lessors of Residential Buildings and Dwellings (excludes Businesses that solely provide accommodation for thirty (30) or more consecutive days.)	9
54	Professional, Scientific and Technical Services	4
541511	Computer Programming Design, Pre-Packaged Software Design	9
55	Management of Companies	7
56	Administrative and Support, Waste Management, and Remediation Services	3
61	Educational Services	3
62	Health Care and Social Assistance	3
71	Arts, Entertainment and Recreation	3
713120	Amusement Parks and Arcades	8
713290	Non-Payout Amusement Machines	8
713990	All Other Amusement and Recreational Industries (Pool Tables)	8
721	Accommodations	1
721110	Hotels and Motels	9
721191	Bed and Breakfast	9
721199	All Other Travel Accommodation	9
722	Food Services and Drink Places	2

722410	Drinking Places (Alcoholic Beverages) (After Hours)	9
722511	Food Services (After Midnight)	9
81	Other Services	3
811	Repair and Maintenance	3
8111	Auto Repair and Maintenance	3
812	Personal and laundry Services	3
813	Religious, Grant Making, Civic, Professional and Similar Organizations	3

This Appendix will be updated every odd year based on available IRS statistics.

The 2026 Business License Class Schedule may be accessed online at:

<https://www.charleston-sc.gov/136/New-Business-Licenses>

or in person at:

City of Charleston Revenue Collections Office 2 George Street, Suites 1700
Charleston, SC 29401