



SOUTH CAROLINA  
P.O. BOX 987 UNION, SC 29379

MEMORANDUM

TO: Restaurants and Food Facilities in the City of Union.

FROM: Finance Department, City of Union

SUBJECT: Local Hospitality Fee

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On July 20, 2010 the City of Union adopted an Ordinance implementing a one percent (1%) *Local Hospitality Fee* applicable to all restaurants and other food service facilities which prepare or modify food or beverages for immediate consumption. This letter is intended to explain the purpose of the *Local Hospitality Fee*, and the implementation process. If your business is not affected by the *Local Hospitality Fee*, please disregard this letter.

The *Local Hospitality Fee* has been adopted as a means of diversifying the city's revenue base so as to provide a dedicated source of income to defray service and infrastructure cost associated with tourism without placing the burden solely on all residents through taxes such as business licenses and property taxes.

The *Local Hospitality Fee* is a fee applicable to your customer. Effective September 1, 2010, a one percent (1%) fee must be applied to all gross receipts on the sale of prepared or modified food and/or beverages at restaurants, bars, convenience stores, grocery stores, and other food service facilities. This money should be collected from your customer at the time of the sale and escrowed.

For most businesses, the estimated amount of fees collected from patrons will be more than \$50 per month and the remittance must be made by the twentieth day of the following month, just as you currently do with your South Carolina sales tax. If the estimated amount of fees collected from patrons is \$25-\$50 per month, the payment is due quarterly by the twentieth day of January, April, July and October, for the previous quarterly sales. If the estimated amount of fees collected from patrons is less than \$25 per month, the payment is due annually by the twentieth day of January for the previous

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calendar year's sales. The remittance must be accompanied by the City's Local Hospitality and Accommodations Fee monthly reporting form. The reporting form must be submitted on a monthly basis, even if the amount is zero. Your first date for remitting the prior month's collections and/or remittance form to the City of Union will be no later than October 20, 2010, for sales during the month of September 2010. While the City of Union is hopeful that all businesses will comply with the submission deadline, please be advised that a penalty of five percent (5%) of the unpaid amount of each calendar month or portion thereof shall apply.

Enclosed is the remittance form with instructions you will use to calculate the fee. Please make a copy for future use or go to the City of Union's web site to download form at [www.cityofunion.net](http://www.cityofunion.net) (see "downloads" tab on the home page)

To assist businesses with implementation of the Local Accommodations Fee, a workshop will be held in Council Chambers at Union City Hall on August 4, 2010, at 10:00 A.M. A second workshop will be held on the same day, at 2:00 P.M. Your attendance at one of the workshops is requested. Should you have any questions, please contact Laura Hembree at (864) 319-1306.

**REMINDER**

**THIS FEE IS IN ADDITION TO THE FEE YOU REMIT TO UNION COUNTY;  
HOWEVER, THE FEE WILL BE CALCULATED USING THE SAME SALES  
USED TO CALCULATE THE COUNTY FEE.**

# CITY OF UNION

P.O. BOX 987, UNION, SC 29379 \* 864-429-1717

## LOCAL HOSPITALITY AND ACCOMMODATIONS FEE MONTHLY REPORTING FORM

Business Name:	_____
Business Location:	_____
Business Mailing Address:	_____
	_____
E-Mail Address:	_____
FED ID# or SS#:	_____

SALES FOR:
Month of _____
Year _____

City Business Lic. # _____
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### Computation of Local Hospitality & Accommodations Fee Amount Due to City:

- |   |                         |
|---|-------------------------|
| 1. Gross Proceeds from the Sale of Food / Beverages   | 1. _____                |
| 2. Computation of 1% Local Hospitality Fee (Line 1 X .01)   | 2. _____                |
| 3. Gross Proceeds from Rental of Transient Accommodations   | 3. _____                |
| 4. Computation of 2% Local Accommodations Fee (Line 3 X .02)  | 4. _____                |
| 5. Subtotal Local Hospitality & Accommodations Fees Due<br>(Sum of Lines 2 & 4)                               | 5. <input type="text"/> |
| 6. Penalty of Delinquent Remittance (Line 5 X 5% per Month*)  | 6. _____                |
| <b>7. TOTAL LOCAL HOSPITALITY &amp; ACCOMMODATIONS<br/>FEES DUE TO CITY OF UNION (Sum of Lines 5 &amp; 6)</b> | 7. <input type="text"/> |

Enclose check with this return.

**This return covers the period through the last day of the month and  
becomes delinquent on the 21<sup>st</sup> day of the following month.**

\*Penalty on delinquent remittance: A penalty of five percent (5%) of the unpaid fees applies for each calendar month or portion thereof after the due date until paid.

I hereby certify that I have examined this return and to the best of my knowledge and belief it is a true and accurate return.	
_____ Signature	_____ Owner, Partner or Title
_____ Date	_____ Telephone Number

## GENERAL QUESTIONS: 1% LOCAL HOSPITALITY FEE AND 2% LOCAL ACCOMMODATIONS FEE

1. What are Accommodations fee and the Hospitality Fee?  
Each fee is to be imposed on accommodations and on the purchase of prepared or modified food and/or Beverages intended for immediate consumption.
2. Why was it necessary to implement the Hospitality Fee and the Accommodations Fee?  
To fund necessary buildings and improvements related to tourism, such as beautification projects, advertising and promotional efforts, tourism-related facilities and tourism-related water and sewer infrastructure.
3. Who is responsible for collecting and remitting the Hospitality Fee and the Accommodations Fee?  
The provider or seller of the service, services or items is responsible for the collection of this fee from patrons is liable to remit collections to the City of Union.
4. How will the fee be remitted to the City of Union?  
For most businesses, the estimated amount of fees collected from patrons will be more than \$50 per month and the remittance must be made by the twentieth day of the following month. If the estimated amount of fees collected from patrons is \$25 - \$50 per month, the payment is due quarterly by the twentieth day of January, April, July and October for the previous quarterly sales. If the estimated amount of fees collected from patrons is less than \$25 per month, the payment is due annually by the twentieth day of January for the previous calendar year's sales. The remittance must be accompanied by the City's local Hospitality and Accommodations Fee monthly reporting form. The reporting form must be submitted on a monthly basis, even if the amount due is zero.
5. What if my payment is late?  
A penalty of 5% of the unpaid amount for each calendar month or portion thereof shall apply.

### RESTAURANTS AND BARS

6. What sales are affected by the Hospitality Fee for restaurants, bars and other food service establishments?  
All food, beverage and alcohol sales.

### CONVENIENCE STORES, GROCERY STORES AND SIMILAR STORES

7. What sales are affected by the Hospitality Fee for convenience, grocery and similar stores?  
All food and/or beverage items that are prepared or modified by convenience stores, grocery stores and similar Stores and intended for immediate consumption.
8. What are some examples of prepared and/or modified food and beverages affected by the fee?
  - A. Heated foods (pizza, nachos, hot dogs, sandwiches, chicken, vegetables, etc.)
  - B. Prepared sandwiches, salads, doughnuts and cakes
  - C. Fountain drinks, frozen drinks, coffee and cappuccino
9. What are some examples of prepared and/or modified food and beverages NOT affected by the fee?
  - A. Packaged foods
  - B. Bulk or packaged cold deli products
  - C. Canned or bottled beverages

### ACCESSORY USE FOOD SERVICE FACILITIES

10. What sales are affected by the Hospitality Fee for food service which is an accessory to the primary business (arcades, amusements, theaters, etc.)?  
Prepared or modified food and beverage items such as fountain drinks, popcorn, nachos, etc.

### ACCOMMODATIONS

What sales are affected by the Accommodations Fee?

11. The rental charges for rooms, campground spaces, lodging, or sleeping accommodations furnished to transients for less than 90 consecutive days and those guest charges that are affected by state accommodations tax. (The fee does not apply to any facilities consisting of less than 6 sleeping rooms, contained on the same premises which is used as an individual's place of abode.)