

CITY OF GREENWOOD LOCAL HOSPITALITY TAX GENERAL QUESTIONS & INSTRUCTIONS

What is a Local Hospitality Tax?

A 2% tax on the purchase of prepared or modified food and/or beverages intended for immediate consumption.

Why was it necessary to implement a Local Hospitality Tax?

To provide an additional source of funding to be used for the dedicated purpose of improving services and facilities for visitors to the Greenwood area.

When will the tax begin?

The implementation date of the City of Greenwood Hospitality Tax is **April 1, 2006**.

Who is responsible for collecting and remitting the Local Hospitality Tax?

The business that is affected by this tax is liable for the collection of this tax from patrons and to remit collections to the **City of Greenwood**.

When is the Local Hospitality Tax due and how is it reported?

Taxes are due to the **City** on a monthly basis. Upon request, the taxpayer may remit taxes every 28 days or quarterly provided the taxpayer remits sales tax to the SC Dept. of Revenue on the same time schedule. Businesses are required to file a report for every reporting period even if no tax is due for the period. The reporting period is defined as the prior month, quarter, or 28 days. Remittance is due on the 20th day following the end of the reporting period. A completed Hospitality Tax Reporting Form must accompany each remittance. The due date for each remittance is printed on each form; however, 28 day filers must write the period start and end dates on each form. Quarterly filers are required to use the report corresponding to the third month of each quarter. **PLEASE DO NOT REMIT THIS FEE TO THE SC DEPARTMENT OF REVENUE.**

When is my tax considered late?

If the stated due date falls on a weekend day or legal holiday, the following business day is the due date. Any reports mailed **MUST BE POSTMARKED BY THE US POSTAL SERVICE ON THE DUE DATE** to be considered filed on time.

What if my tax payment is late?

A 5% per month penalty in addition to the local hospitality tax due must accompany all delinquent remittances.

RESTAURANTS AND BARS

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

What sales are affected by the Hospitality Fee for convenience stores and grocery stores?

All food and/or beverage items that are prepared or modified and available for immediate consumption.

What are some examples of prepared and/or modified food and beverages affected by the Hospitality Fee?

- a. Heated foods (pizza, nachos, hot dogs, sandwiches, chicken, vegetables, etc.)
- b. Prepared sandwiches and salads.
- c. Fountain drinks, frozen drinks, coffee, & cappuccino.

What are some examples of prepared and/or modified food and beverages NOT affected by the Hospitality Fee?

- a. Packaged foods.
- b. Bulk or packaged cold deli products.
- c. Canned or bottled beverages.

ACCESSORY USE FOOD SERVICE FACILITIES

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.