

ORDINANCE 2021-14

AN ORDINANCE TO REPEAL CHAPTER 1, BUSINESS LICENSES, ARTICLE A, GENERAL PROVISIONS, OF TITLE 7, LICENSING AND REGULATION, OF THE CITY OF ISLE OF PALMS CODE OF ORDINANCES AND TO ENACT A NEW CHAPTER 1, ARTICLE A, TO PROVIDE FOR THE STANDARDIZATION OF THE METHODS OF ADMINISTERING THE BUSINESS LICENSE TAX IN ACCORDANCE WITH THE SOUTH CAROLINA BUSINESS LICENSE TAX STANDARDIZATION ACT.

BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED:

SECTION 1. That Chapter 1, Article A of Title 7 is hereby repealed and deleted in its entirety and replaced with a new Chapter 1, Article A, titled "General Provisions," to state as follows:

"ARTICLE A. – GENERAL PROVISIONS

Section 7-1-1. License Required. Every person engaged or intending to engage in any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, in whole or in part within the limits of the City of Isle of Palms, South Carolina, is required to pay an annual license tax for the privilege of doing business and obtain a business license as herein provided.

Section 7-1-2. Definitions. The following words, terms, and phrases, when used in this ordinance, shall have the meaning ascribed herein. Defined terms are not capitalized when used in this ordinance unless the context otherwise requires.

"*Business*" means any business, calling, occupation, profession, or activity engaged in with the object of gain, benefit, or advantage, either directly or indirectly.

"*Charitable Organization*" means an organization that is determined by the Internal Revenue Service to be exempt from Federal income taxes under 26 U.S.C. Section 501(c)(3), (4), (6), (7), (8), (10) or (19).

"*Charitable Purpose*" means a benevolent, philanthropic, patriotic, or eleemosynary purpose that does not result in personal gain to a sponsor, organizer, officer, director, trustee, or person with ultimate control of the organization.

"*City*" means the City of Isle of Palms, South Carolina.

"*Classification*" means that division of businesses by NAICS codes subject to the same license rate as determined by a calculated index of ability to pay based on national averages, benefits, equalization of tax burden, relationships of services, or other basis deemed appropriate by the Council.

"*Council*" means the City Council of the City of Isle of Palms.

"*Domicile*" means a principal place from which the trade or business of a licensee is conducted, directed, or managed. For purposes of this ordinance, a licensee may be deemed to have more than one domicile.

"*Gross Income*" means the gross receipts or gross revenue of a business, received or accrued, for one calendar or fiscal year collected or to be collected from business done within the City. If the licensee has a domicile within the City, business done within the City shall include all gross receipts or revenue received or accrued by such licensee. If the licensee does not have a domicile within the City, business done within the City shall include only gross receipts or revenue received or accrued within the City. In all cases, if the licensee pays a business license tax to another county or municipality, then the licensee's gross income for the purpose of computing the tax within the City must be reduced by the amount of revenues or receipts taxed in the other county or municipality and fully reported to the City. Gross income for business license

tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds that are the property of a third party. The value of bartered goods or trade-in merchandise shall be included in gross income. The gross receipts or gross revenues for business license purposes may be verified by inspection of returns and reports filed with the Internal Revenue Service, the South Carolina Department of Revenue, the South Carolina Department of Insurance, or other government agencies. In calculating gross income for certain businesses, the following rules shall apply:

- A. Gross income for agents shall be calculated on gross commissions received or retained, unless otherwise specified. If commissions are divided with other brokers or agents, then only the amount retained by the broker or agent is considered gross income.
- B. Except as specifically required by S.C. Code § 38-7-20, gross income for insurance companies shall be calculated on gross premiums written.
- C. Gross income for manufacturers of goods or materials with a location in the City shall be calculated on the lesser of (i) gross revenues or receipts received or accrued from business done at the location, (ii) the amount of income allocated and apportioned to that location by the business for purposes of the business's state income tax return, or (iii) the amount of expenses attributable to the location as a cost center of the business. Licensees reporting gross income under this provision shall have the burden to establish the amount and method of calculation by satisfactory records and proof. Manufacturers include those taxpayers reporting a manufacturing principal business activity code on their federal income tax returns.

"License Official" means a person designated by the City Administrator to administer this ordinance. Notwithstanding the designation of a primary license official, the City may designate one or more alternate license officials to administer particular types of business licenses, including without limitation for business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code.

"Licensee" means the business, the person applying for the license on behalf of the business, an agent or legal representative of the business, a person who receives any part of the net profit of the business, or a person who owns or exercises control of the business.

"NAICS" means the North American Industry Classification System for the United States published under the auspices of the Federal Office of Management and Budget.

"Person" means any individual, firm, partnership, limited liability partnership, limited liability company, cooperative non-profit membership, corporation, joint venture, association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principal.

Section 7-1-3. Purpose and Duration. The business license required by this ordinance is for the purpose of providing such regulation as may be required for the business subject thereto and for the purpose of raising revenue for the general fund through a privilege tax. The license year ending on April 30, 2022, shall commence on January 1, 2021 and shall run for a 16-month period. Thereafter, the license periods shall be established as follows. Except as set forth below for business licenses issued to contractors with respect to specific construction projects, each yearly license shall be issued for the twelve-month period of May 1 to April 30. A business license issued for a construction contract may, at the request of the licensee, be stated to expire at the completion of the construction project; *provided*, any such business license may require that the licensee 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. The provisions of this ordinance and the rates herein shall remain in effect from year to year as amended by the Council.

Section 7-1-4. Business License Tax, Refund.

- A. The required business license tax shall be paid for each business subject hereto according to the applicable rate classification on or before the due date of the 30th day of April in each year, except for those businesses in Rate Class 8 for which a different due date is specified. Late payments shall be subject to penalties as set forth in Section 7-1-12 hereof, except that admitted insurance companies may pay before June 1 without penalty.
- B. A separate license shall be required for each place of business and for each classification or business conducted at one place. Each housing unit shall be deemed to be a separate place of business for purposes of determining the number of different licenses required by lessors of residential housing units. If gross income cannot be separated for classifications at one location, the business license tax shall be computed on the combined gross income for the classification requiring the highest rate. The business license tax must be computed based on the licensee's gross income for the calendar year preceding the due date, for the licensee's twelve-month fiscal year preceding the due date, or on a twelve-month projected income based on the monthly average for a business in operation for less than one year. The business license tax for a new business must be computed on the estimated probable gross income for the balance of the license year. The initial business license tax for an annexed business shall be prorated for the number of months remaining in the license year. A business license related to construction contract projects may be issued on a per-project basis, at the option of the taxpayer. No refund shall be made for a business that is discontinued.
- C. A licensee that submits a payment greater than the amount owed may request a refund. To be considered, a refund request must be submitted in writing to the City before the June 1 immediately following the April 30 on which the payment was due and must be supported by adequate documentation supporting the refund request. The City shall approve or deny the refund request, and if approved shall issue the refund to the business, within thirty days after receipt of the request.

Section 7-1-5. Registration Required.

- A. The owner, agent, or legal representative of every business subject to this ordinance, whether listed in the classification index or not, shall register the business and make application for a business license on or before the due date of each year; *provided*, a new business shall be required to have a business license prior to operation within the City, and an annexed business shall be required to have a business license within thirty (30) days of the annexation. A license for a bar (NAICS 722410) must be issued in the name of the individual who has been issued the corresponding state alcohol, beer, or wine permit or license and will have actual control and management of the business.
- B. Application shall be on the then-current standard business license application as established and provided by the Director of the South Carolina Revenue and Fiscal Affairs Office and shall be accompanied by all information about the applicant, the licensee, and the business deemed appropriate to carry out the purpose of this ordinance by the license official. Applicants may be required to submit copies of portions of state and federal income tax returns reflecting gross receipts and gross revenue figures.
- C. The applicant shall certify under oath that the information given in the application is true, that the gross income is accurately reported (or estimated for a new business) without any unauthorized deductions, and that all assessments, personal property taxes on business property, and other monies due and payable to the City have been paid.
- D. The City shall allow application, reporting, calculation, and payment of business license taxes through the business license tax portal hosted and managed by the South Carolina Revenue and Fiscal Affairs Office, subject to the availability and capability thereof. Any limitations in portal

availability or capability do not relieve the applicant or Licensee from existing business license or business license tax obligations.

Section 7-1-6. Deductions, Exemptions, and Charitable Organizations.

- A. No deductions from gross income shall be made except income earned outside of the City on which a license tax is paid by the business to some other municipality or county and fully reported to the City, taxes collected for a governmental entity, or income which cannot be included for computation of the tax pursuant to state or federal law. Properly apportioned income from business in interstate commerce shall be included in the calculation of gross income and is not exempted. The applicant shall have the burden to establish the right to exempt income by satisfactory records and proof.
- B. No person shall be exempt from the requirements of the ordinance by reason of the lack of an established place of business within the City, unless exempted by state or federal law. The license official shall determine the appropriate classification for each business in accordance with the latest issue of NAICS. No person shall be exempt from this ordinance by reason of the payment of any other tax, unless exempted by state law, and no person shall be relieved of liability for payment of any other tax or fee by reason of application of this ordinance.
- C. Wholesalers are exempt from business license taxes unless they maintain warehouses or distribution establishments within the City. A wholesale transaction involves a sale to an individual who will resell the goods and includes delivery of the goods to the reseller. It does not include a sale of goods to a user or consumer.
- D. A charitable organization shall be exempt from the business license tax on its gross income unless it is deemed a business subject to a business license tax on all or part of its gross income as provided in this section. A charitable organization, or any affiliate of a charitable organization, that reports income from for-profit activities or unrelated business income for federal income tax purposes to the Internal Revenue Service shall be deemed a business subject to a business license tax on the part of its gross income from such for-profit activities or unrelated business income.
- E. A charitable organization shall be deemed a business subject to a business license tax on its total gross income if (1) any net proceeds of operation, after necessary expenses of operation, inure to the benefit of any individual or any entity that is not itself a charitable organization as defined in this ordinance, or (2) any net proceeds of operation, after necessary expenses of operation, are used for a purpose other than a charitable purpose as defined in this ordinance. Excess benefits or compensation in any form beyond fair market value to a sponsor, organizer, officer, director, trustee, or person with ultimate control of the organization shall not be deemed a necessary expense of operation.
- F. Licenses shall be waived for vendors who are not otherwise required to hold a valid business license and who are invited by the City to participate in City-hosted, City-sponsored, or City-sanctioned special events. Such vendors shall submit a written application for a special events license waiver on a form prescribed and dispensed by the license official upon such terms as indicated on the temporary waiver.

Section 7-1-7. False Application Unlawful. It shall be unlawful for any person subject to the provisions of this ordinance to make a false application for a business license or to give or file, or direct the giving or filing of, any false information with respect to the license or tax required by this ordinance.

Section 7-1-8. Display and Transfer.

- A. All persons shall display the license issued to them on the original form provided by the license official in a conspicuous place in the business establishment at the address shown on the license. A

transient or non-resident shall carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the City.

- B. A change of address must be reported to the license official within ten (10) days after removal of the business to a new location and the license will be valid at the new address upon written notification by the license official and compliance with zoning and building codes. Failure to obtain the approval of the license official for a change of address shall invalidate the license and subject the licensee to prosecution for doing business without a license. A business license shall not be transferable, and a transfer of controlling interest shall be considered a termination of the old business and the establishment of a new business requiring a new business license, based on old business income.

Section 7-1-9. Administration of Ordinance. The license official shall administer the provisions of this ordinance, collect business license taxes, issue licenses, make or initiate investigations and audits to ensure compliance, initiate denial or suspension and revocation procedures, report violations to the City attorney, assist in prosecution of violators, produce forms, undertake reasonable procedures relating to the administration of this ordinance, and perform such other duties as may be duly assigned.

Section 7-1-10. Inspection and Audits.

- A. For the purpose of enforcing the provisions of this ordinance, the license official or other authorized agent of the City is empowered to enter upon the premises of any person subject to this ordinance to make inspections and to examine and audit books and records. It shall be unlawful for any such person to fail or refuse to make available the necessary books and records. In the event an audit or inspection reveals that the licensee has filed false information, the costs of the audit shall be added to the correct business license tax and late penalties in addition to other penalties provided herein. Each day of failure to pay the proper amount of business license tax shall constitute a separate offense.
- B. The license official shall have the authority to make inspections and conduct audits of businesses to ensure compliance with the ordinance. Financial information obtained by inspections and audits shall not be deemed public records, and the license official shall not release the amount of business license taxes paid or the reported gross income of any person by name without written permission of the licensee, except as authorized by this ordinance, state or federal law, or proper judicial order. Statistics compiled by classifications are public records.
- C. Any person managing a business or occupation for another person who is required to hold a business license pursuant to this chapter shall maintain a current list of all such businesses or occupations, which list shall contain all information used by the City in determining the annual license tax for such businesses or occupations for each license year in which the manager performed management duties at any time during such license year. Such manager shall maintain on file with the license official a current copy of all such businesses' or occupations' business licenses and the information required in this subsection, including the business or occupation owner's name, mailing address and location of each business.

Section 7-1-11. Assessments, Payment under Protest, Appeal.

- A. Assessments, payments under protest, and appeals of assessment shall be allowed and conducted by the City pursuant to the provisions of S.C. Code § 6-1-410, as amended. In preparing an assessment, the license official may examine such records of the business or any other available records as may be appropriate and conduct such investigations and statistical surveys as the license official may deem appropriate to assess a business license tax and penalties as provided herein.
- B. The license official shall establish a uniform local procedure consistent with S.C. Code § 6-1-410 for hearing an application for adjustment of assessment and issuing a notice of final assessment;

provided that for particular types of business licenses, including without limitation for business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code, the City, by separate ordinance, may establish a different procedure and may delegate one or more rights, duties, and functions hereunder to the Municipal Association of South Carolina.

Section 7-1-12. Delinquent License Taxes, Partial Payment.

- A. For non-payment of all or any part of the correct business license tax, the license official shall impose and collect a late penalty of five (5%) percent of the unpaid tax for each month or portion thereof after until paid. Penalties shall not be waived. If any business license tax remains unpaid for sixty (60) days after its due date, the license official shall report it to the City attorney for appropriate legal action. Penalties on license taxes for those businesses in Rate Class 8 due at a date other than April 30th shall run from the due date or as otherwise provided in Appendix A.
- B. Partial payment may be accepted by the license official to toll imposition of penalties on the portion paid; *provided*, however, no business license shall be issued or renewed until the full amount of the tax due, with penalties, has been paid.

Section 7-1-13. Notices. The license official may, but shall not be required to, mail written notices that business license taxes are due. If notices are not mailed, there shall be published a notice of the due date in a newspaper of general circulation within the City three (3) times prior to the due date in each year. Failure to receive notice shall not constitute a defense to prosecution for failure to pay the tax due or grounds for waiver of penalties.

Section 7-1-14. Denial of License. The license official may deny a license to an applicant when the license official determines:

- A. The application is incomplete or contains a misrepresentation, false or misleading statement, or evasion or suppression of a material fact;
- B. The activity for which a license is sought is unlawful or constitutes a public nuisance *per se* or *per accidens*;
- C. The applicant, licensee, prior licensee, or the person in control of the business has been convicted within the previous ten years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a business or a subject of a business, or an unlawful sale of merchandise or prohibited goods;
- D. The applicant, licensee, prior licensee, or the person in control of the business has engaged in an unlawful activity or nuisance related to the business or to a similar business in the City or in another jurisdiction;
- E. The applicant, licensee, prior licensee, or the person in control of the business is delinquent in the payment to the City of any tax or fee;
- F. A licensee has actual knowledge or notice, or based on the circumstances reasonably should have knowledge or notice, that any person or employee of the licensee has committed a crime of moral turpitude on the business premises, or has permitted any person or employee of the licensee to engage in the unlawful sale of merchandise or prohibited goods on the business premises and has not taken remedial measures necessary to correct such activity; or
- G. The license for the business or for a similar business of the licensee in the City or another jurisdiction has been denied, suspended, or revoked in the previous license year.

A decision of the license official shall be subject to appeal as herein provided. Denial shall be written with reasons stated.

Section 7-1-15. Suspension or Revocation of License. When the license official determines:

- A. A license has been mistakenly or improperly issued or issued contrary to law;
- B. A licensee has breached any condition upon which the license was issued or has failed to comply with the provisions of this ordinance;
- C. A licensee has obtained a license through a fraud, misrepresentation, a false or misleading statement, or evasion or suppression of a material fact in the license application;
- D. A licensee has been convicted within the previous ten years of an offense under a law or ordinance regulating business, a crime involving dishonest conduct or moral turpitude related to a business or a subject of a business, or an unlawful sale of merchandise or prohibited goods;
- E. A licensee has engaged in or allowed an unlawful activity or nuisance related to the business, or the licensee has demonstrated an inability or unwillingness to prevent the licensee's tenants from engaging in unlawful activities or creating nuisances related to the business;
- F. A licensee has had five (5) or more complaints of unlawful activity within a single calendar year that are determined to be founded by the Police Department;
- G. A licensee is delinquent in the payment to the City of any tax or fee,

the license official may give written notice to the licensee or the person in control of the business within the City by personal service or mail that the license is suspended pending a single hearing before Council or its designee for the purpose of determining whether the suspension should be upheld and the license should be revoked.

The written notice of suspension and proposed revocation shall state the time and place at which the hearing is to be held, which shall be at a regular or special Council meeting within ten (10) days from the date of service of the notice, unless continued by agreement, and shall contain a brief statement of the reasons for the suspension and proposed revocation and a copy of the applicable provisions of this ordinance.

Section 7-1-16. Appeals to Council or its Designee.

- A. Except with respect to appeals of assessments under Section 7-1-11 hereof, which are governed by S.C. Code § 6-1-410, any person aggrieved by a determination, denial, or suspension and proposed revocation of a business license by the license official may appeal the decision to the Council or its designee by written request stating the reasons for appeal, filed with the license official within ten (10) days after service by mail or personal service of the notice of determination, denial, or suspension and proposed revocation.
- B. A hearing on an appeal from a license denial or other determination of the license official and a hearing on a suspension and proposed revocation shall be held by the Council or its designee within ten (10) business days after receipt of a request for appeal or service of a notice of suspension and proposed revocation. The hearing shall be held upon written notice at a regular or special meeting of the Council, or, if by designee of the Council, at a hearing to be scheduled by the designee. The hearing may be continued to another date by agreement of all parties. At the hearing, all parties shall have the right to be represented by counsel, to present testimony and evidence, and to cross-examine witnesses. The proceedings shall be recorded and transcribed at the expense of the party so requesting. The rules of evidence and procedure prescribed by Council or its designee shall govern the hearing. Following the hearing, the Council by majority vote of its members present, or the designee of Council if the hearing is held by the designee, shall render a written decision based on findings of fact and conclusions on application of the standards herein. The written decision shall be served, by personal service or by mail, upon all parties or their representatives and shall constitute the final decision of the City.

- C. Timely appeal of a decision of Council or its designee does not effectuate a stay of that decision. The decision of the Council or its designee shall be binding and enforceable unless overturned by an applicable appellate court after a due and timely appeal.
- D. For business licenses issued to businesses subject to business license taxes under Article 20, Chapter 9, Title 58, and Chapters 7 and 45, Title 38, of the South Carolina Code, the City may establish a different procedure by ordinance.

Section 7-1-17. Consent, franchise, or license required for use of streets.

- A. It shall be unlawful for any person to construct, install, maintain, or operate in, on, above, or under any street or public place under control of the City any line, pipe, cable, pole, structure, or facility for utilities, communications, cablevision, or other purposes without a consent agreement or franchise agreement issued by the Council by ordinance that prescribes the term, fees, and conditions for use.
- B. The annual fee for use of streets or public places authorized by a consent agreement or franchise agreement shall be set by the ordinance approving the agreement and shall be consistent with limits set by state law. Existing franchise agreements shall continue in effect until expiration dates in the agreements. Franchise and consent fees shall not be in lieu of or be credited against business license taxes unless specifically provided by the franchise or consent agreement.

Section 7-1-18. Confidentiality. Except in accordance with proper judicial order or as otherwise provided by law, no official or employee of the City may divulge or make known in any manner the amount of income or any financial particulars set forth or disclosed in any report or return required under this ordinance. Nothing in this section shall be construed to prohibit the publication of statistics so classified as to prevent the identification of particular reports or returns. Any license data may be shared with other public officials or employees in the performance of their duties, whether or not those duties relate to enforcement of this ordinance.

Section 7-1-19. Violations.

- A. Any person violating any provision of this ordinance shall be deemed guilty of an offense and shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days or both, upon conviction. Each day of violation shall be considered a separate offense. Punishment for violation shall not relieve the offender of liability for delinquent taxes, penalties, and costs provided for in this ordinance.
- B. It shall be unlawful for any person to manage a business or occupation for another person who does not have a current business license as required under this chapter. Any person violating any provision of this subsection shall be deemed guilty of an offense and upon conviction shall be subject to a fine of up to \$500.00 or imprisonment for not more than thirty (30) days, or both. Each day of violation shall be considered a separate offense.

Section 7-1-20. Severability. A determination that any portion of this ordinance is invalid or unenforceable shall not affect the remaining portions. To the extent of any conflict between the provisions of this ordinance and the provisions of the South Carolina Business License Tax Standardization Act, as codified at S.C. Code §§ 6-1-400 *et seq.*, the standardization act shall control.

Section 7-1-21. Classification and Rates.

- A. The business license tax for each class of businesses subject to this ordinance shall be computed in accordance with the current business license rate schedule, designated as Appendix A to this ordinance, which may be amended from time to time by the Council.
- B. The current business license class schedule is attached hereto as Appendix B. Hereafter, no later than December 31 of each odd year, the City shall adopt, by ordinance, the latest standardized business license class schedule as recommended by the Municipal Association of South Carolina

and adopted by the Director of the South Carolina Revenue and Fiscal Affairs Office. Upon adoption by the City, the revised business license class schedule shall then be appended to this ordinance as a replacement Appendix B.

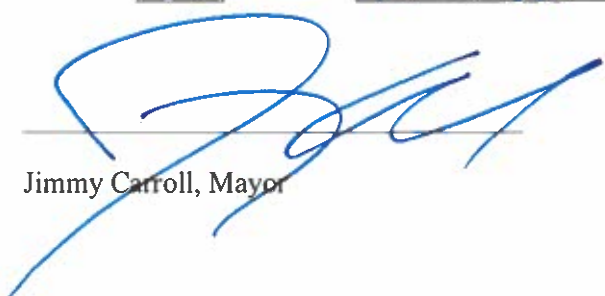
- C. The classifications included in each rate class are listed with NAICS codes, by sector, sub-sector, group, or industry. The business license class schedule (Appendix B) is a tool for classification and not a limitation on businesses subject to a business license tax. The classification in the most recent version of the business license class schedule adopted by the Council that most specifically identifies the subject business shall be applied to the business. The license official shall have the authority to make the determination of the classification most specifically applicable to a subject business.
- D. A copy of the class schedule and rate schedule shall be filed in the office of the City clerk.”

SECTION 2. That should any part of this Ordinance be held invalid by a Court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 3. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 4. That this Ordinance shall become effective on May 1, 2022.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS,
ON THE 17 DAY OF November, 2021.



Jimmy Carroll, Mayor

(Seal)

Attest:

Nicole DeNeane, City Clerk

First Reading: October 26, 2021

Public Hearing: _____

Second Reading: November 17, 2021

Ratification: November 17, 2021

APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

RATE CLASS <u>THEREOF</u>	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
	BASE RATE	RATE PER \$1,000 OR FRACTION
1	\$70.00	\$2.00
2	\$75.00	\$2.10
3	\$80.00	\$2.20
4	\$85.00	\$2.30
5	\$90.00	\$2.40
6	\$95.00	\$2.50
7	\$100.00	\$2.60
8	See individual businesses in Class 8 listed below in Appendix A.	
9	See individual businesses in 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 City.

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 City also may provide for reasonable subclassifications for rates, described by an NAICS sector, subsector, or industry, that are based on particularized considerations as 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 within the City:

Minimum on first \$2,000	\$110.00 PLUS
Each additional 1,000.....	\$2.35

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

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 be made by a general or prime contractor for value of work performed by a sub-contractor.

No contractor shall be issued 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 a 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 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year. Licensees 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 517311, 517312 – Telephone Companies:

Notwithstanding any other provisions of this chapter, business license taxes for retail telecommunications service as defined in S.C. Code 1976, § 58-9-2200, including but not limited to those services described in Standard Industrial Classification (SIC) 481 and North American industry Classification System (NAICS) 5133, shall pay an annual business license fee based on gross income.

Pursuant to S.C. Code 1976, § 58-9-2220, the following business license tax schedule shall apply to the gross income from retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the City and which are charged to a service address within the City 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 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 City.

Rate for license taxes due in the years 1999 through 2003: three tenths of one percent (0.3%) of gross income for the preceding year.

Rate for license taxes due in the year 2004 and each year thereafter: seventy-five hundredths of one percent (0.75%) of gross income for the preceding year.

For a business in operation for less than one (1) year, the amount of business license tax authorized by this section shall be computed on a twelve (12) month projected income.

The rate for business licenses for retail telecommunications service for 1999 shall be three tenths of one percent (0.3%) of 1998 gross income, due on October 1, 1999, and payable by January 31, 2000, without penalty.

The telecommunications business license tax shall be due on January 1 in each year, beginning in the year 2000. Declining rates shall not apply. Taxes are payable without penalty by January 31 following the due date. After January 31, the delinquent penalty shall be five percent (5%) of the tax due for each month, or portion thereof, after the due date until paid.

Exemptions in this chapter for income from business in interstate commerce are hereby repealed. Properly apportioned gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

Nothing in this chapter shall be interpreted to interfere with a franchise agreement or contractual agreement entered into with a telecommunications provider prior to December 31, 1997.

Fees imposed by a franchise or contractual agreement with a telecommunications provider entered into prior to December 31, 1997, which expires prior to December 31, 2003, shall continue in effect until December 31, 2003.

All fees collected under such franchise agreement or contractual agreement shall be in lieu of fees or taxes which might otherwise be authorized by this chapter.

A business license tax ordinance, adopted prior to December 31, 1997, which levied a business license tax paid by a telecommunications company higher than that levied under this chapter, shall remain in effect through December 31, 2003.

As authorized by S.C. Code 1976, § 5-7-300, the agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from telecommunications companies pursuant to S.C. Code 1976, § 58-9-2200 shall continue in effect.

8.4 NAICS 5241 – Insurance Companies:

Except as to fire insurance, “gross premiums” means gross premiums written for policies for property or a risk located within the City. 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 City, (2) the insurance company’s employee conducting business within the City, or (3) the office of the insurance company’s licensed or appointed producer (agent) conducting business within the City, 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.

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

As to fire insurance, “gross premiums” means gross premiums (1) collected in the City, and/or (2) realized from risks located within the limits of the City.

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 52411 – Life, Health and Accident. 0.75% of Gross Premiums.

NAICS 524126 – Fire and Casualty. Two percent (2%) of Gross Premiums.

NAICS 524127 – Title Insurance. Two percent (2%) of Gross Premiums.

Notwithstanding any other provisions in this Chapter, license taxes for insurance companies shall be payable on or before May 31 in each year without penalty. The penalty for delinquent payments shall be five percent (5%) of the tax due per month, or portion thereof, after the due date until paid.

As authorized by S.C. Code 1976, § 5-7-300, the agreement with the Municipal Association of South Carolina for collection of current and delinquent license taxes from insurance companies 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)(1) 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 licensed by the state 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) Pursuant to SC Code § 12-21-2746, license tax of \$5.00 per table measuring less than 3½ feet wide and 7 feet long, and \$12.50 per table longer than that; PLUS, (B) with respect to gross income from the entire business in addition to the tax authorized by state law for each table:

Minimum on first \$2,000	\$110.00 PLUS
Per \$1,000, or fraction, over \$2,000.....	\$2.35

CLASS 9 RATES

9.41 & 9.42 NAICS 454390 – Peddlers, Solicitors, Canvassers, Door-To-Door Sales.

Direct retail sales of merchandise. [Non-resident rates apply]

9.41 Regular activities [more than two sale periods of more than three days each per year]

Minimum on first \$2,000	\$110.00 PLUS
Per \$1,000, or fraction, over \$2,000	\$2.35

9.42 Seasonal activities [not more than two sale periods of not more than three days each year, separate license required for each sale period]

Minimum on first \$2,000 \$15.00 PLUS

Per \$1,000, or fraction, over \$2,000 \$2.35

Applicants for a license to sell on private property must provide written authorization from the property owner to use the intended location.

9.91 **NAICS 53111 – Lessors of Residential Housing Units – Less than Ninety (90) Days**

(Non-resident rates do not apply):

Minimum on first \$2,000.00..... \$175.00 PLUS

Per \$1,000.00, or fraction, over \$2,000.00.....\$4.60

The licensee shall sign a written acknowledgment that a violation of this Code, either by the licensee, the licensee's property manager, or the licensee's rental guests, may result in the suspension or revocation of the license.

The licensee shall maintain on file with the City Business License Office the current telephone number, if any, of the residence and current twenty-four (24) hour per day telephone numbers at which the City may contact the licensee and, if applicable, the licensee's property manager.

APPENDIX B: BUSINESS LICENSE CLASS SCHEDULE

NAICS Code	Industry Sector
RATE CLASS 1	
42	Wholesale trade
44-45	Retail trade
4413	Automotive parts tire stores
442	Furniture and home furnishing stores
443	Electronics and appliance stores
444	Building material, garden equipment and supply
445	Food and beverage stores
446	Health and personal care stores
447	Gasoline stations
448	Clothing and accessory stores
451	Sporting goods, hobby, music stores, bookstores
452	General merchandise stores
453	Miscellaneous store retailers
454	Nonstore retailers, except peddlers
722	Eating places, food services, restaurants, caterers, except drinking places
722410	Drinking places, bars (alcoholic)
RATE CLASS 2	
11	Agriculture, forestry, fishing and hunting
31-33	Manufacturing
48	Transportation, except rail
49	Warehousing and couriers
RATE CLASS 3	
711	Arts, sports and promoters of events
721	Accommodation, hotel, motel, inn, camp
RATE CLASS 4	
21	Mining
511	Information

	512	Motion pictures, theaters, production
	5131	Radio and television broadcasting
	5141	Information services
	5142	Data processing services
	56	Administrative and support, waste management and remediation services
	61	Education services
	62	Health care and social assistance
RATE CLASS 5		
	54	Professional, scientific, and technical services
	811	Repair and maintenance services
	812	Personal care, barber, beauty, laundry
	813	Membership organizations
RATE CLASS 7		
	522	Consumer finance, mortgage bankers, credit card issuing, except banks and pawnshops
	523	Security and commodity brokers
	53	Real estate and rental (except 53111—lessors of residential buildings)
	55	Management of companies and enterprises
RATE CLASS 8		
	23	Construction
	482	Rail transportation
	5133	Telecommunications
	5241	Insurance carriers
	5242	Insurance agencies, except brokers for non-admitted insurers
	52421	Brokers for non-admitted insurance carriers
	7131	Amusement arcades, non-gambling
	7132	Gambling industries, video poker
	713990	Billiard parlor, pool tables
RATE CLASS 9		
	454390	Peddlers, direct selling
	53111	Lessors of residential housing units

BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Code	Rate Class	Industry Sector
11	2	Agriculture, forestry, fishing and hunting
21	4	Mining
23	8.1	Construction
31—33	2	Manufacturing
42	1	Wholesale trade
44—45	1	Retail trade
4413	1	Automotive parts, tire stores
442	1	Furniture and home furnishing stores
443	1	Electronics and appliance stores
444	1	Building material, garden equipment and supply
445	1	Food and beverage stores
446	1	Health and personal care stores
447	1	Gasoline stations
448	1	Clothing and accessory stores
451	1	Sporting goods, hobby, music stores, bookstores
452	1	General merchandise stores
453	1	Miscellaneous store retailers
454	1	Non-store retailers, except peddlers
454390	9.41 & 9.42	Peddlers, direct selling
48	2	Transportation, except rail
482	8.2	Rail transportation
49	2	Warehousing and couriers

511	4	Information
512	4	Motion pictures, theaters, production
5131	4	Radio and television broadcasting
5133	8.3	Telecommunications
5141	4	Information services
5142	4	Data processing services
522	7	Consumer finance, mortgage brokers, credit card issuing, except banks and pawnshops
523	7	Security and commodity brokers
5241	8.4	Insurance carriers
5242	8.4	Insurance agencies, except brokers for non-admitted insurers
52421	8.4	Brokers for non-admitted insurance carriers
53	7	Real estate and rental (except 53111—lessors of residential buildings)
53111	9.91	Lessors of residential housing units
54	5	Professional, scientific, and technical services
55	7	Management of companies and enterprises
56	4	Administrative and support, waste management and remediation services
61	4	Education services
62	4	Health care and social assistance
711	3	Arts, sports and promoters of events
7131	8.51	Amusement arcades, non-gambling
7132	8.52	Gambling industries, video poker
713990	8.6	Billiard parlor, pool tables

721	3	Accommodation, hotel, motel, inn, camp
722	1	Eating places, food services, restaurants, caterers, except drinking places
722410	1	Drinking places, bars (alcoholic)
811	5	Repair and maintenance services
812	5	Personal care, barber, beauty, laundry
813	5	Membership organizations

This appendix will be updated every odd year based on the latest available IRS statistics. The 2022 Business License Class Schedule may be accessed at: <https://www.iop.net/building-and-planning/business-licenses>.