

## **FREQUENTLY ASKED QUESTIONS:**

### **1. WHAT IS THE LOCAL HOSPITALITY TAX?**

A Local Hospitality Tax is a tax, not to exceed two percent (2%), on the sale of prepared meals and beverages sold in establishments. The tax is authorized in Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended, generally referred to as the "Local Hospitality Tax Act".

### **2. WHAT IS CONSIDERED A PREPARED MEAL?**

A prepared meal is any food and/or beverage, inclusive of alcoholic beverages, beer and wine, prepared or modified by an establishment, which at the time of sale is ready for consumption.

### **3. WHO IS RESPONSIBLE FOR COLLECTING AND REMITTING THE LOCAL HOSPITALITY TAX?**

Restaurants, bars and lounges, private clubs, hotels and motels, caterers, grocery stores, convenience stores and other food establishments are responsible for collecting this tax from patrons and are required to remit such collections to the local government. Failure to collect taxes does not relieve any business from making the required remittances to the local government.

### **4. HOW SHOULD THE TAX BE REMITTED?**

The Local Hospitality Tax Act requires that taxes be remitted to the local governing body on a Monthly basis when the estimated amount of average tax is more than fifty (\$50.00) dollars a month, on a Quarterly basis when the estimated amount is twenty-five (\$25.00) to fifty (\$50.00) dollars a month and Annually when the estimated amount of average tax is less than twenty-five (\$25.00) dollars a month.

### **5. WHEN WILL THE HOSPITALITY TAX GO INTO EFFECT AND WHEN WILL MY FIRST REMITTANCE BE DUE?**

The Town of Campobello's Local Hospitality Tax is scheduled to become effective on September 4, 2007. The deadline for remittance of the previous month's collections will be 5:00 p.m. by the 20<sup>th</sup> of the following month.