



City of Easley Local Hospitality Tax Information Frequently Asked Questions

What is a local hospitality tax? The City of Easley City Council authorized the levy of a two percent (2%) local hospitality tax on prepared food and/or beverages, inclusive of alcoholic beverages, beer and wine sold in establishments effective June 1, 2005.

Does the hospitality tax reduce my business earnings? No. The hospitality tax is similar to the state sales tax in that it is a pass through to the customer. As a business owner you will charge 2% for local hospitality taxes remitted to the City of Easley.

Where does this tax money go? The City is required to deposit the funds into a local hospitality tax fund maintained separately from the General Fund in accordance with State law. The City's use of hospitality tax funds is for tourism related activities and improvements.

What is the definition of an establishment responsible for local hospitality tax collections? An establishment is a business which has a fixed place of operations within the City and which from that location sells prepared meals and/or beverages, inclusive of alcoholic beverages, beer and wine, whether for on-premise consumption, take-out, or delivery.

What business types are required to collect and remit this money to the City? Restaurants, bars and lounges, private clubs, hotels and motels, caterers, grocery stores, convenience stores (if they sell prepared or modified foods and/or beverages) and other food service establishments.

What is considered a prepared meal? A prepared meal would be any food and/or beverage, inclusive of alcoholic beverages, beer and wine prepared or modified by an establishment which at any time of sale is ready for consumption by members of the public, regardless of the actual quantity, presentation or packaging, without regard to the time of day of the sale.

How is this tax remitted to the City? The hospitality tax collected shall be remitted to the City on the reporting form provided in this booklet. The forms must be postmarked by the 20th day of the month following the closing date of the period for which the tax payment is to be remitted. For example, taxes collected in January must be postmarked by February 20th. Returns with a U.S. Mail postmark (not a metered date) on or before the due date are considered as timely filed and as such will be allowed to take a 2% discount off of the tax amount due to the City.

The tax must be remitted:

- On a monthly basis when the estimated amount of tax is more than \$50.00 per month. The closing date is the last day of the month.
- On a quarterly basis when the estimated amount of tax is \$25.00 to \$50.00 per month. The closing dates are the last days of the months of March, June, September and December of the reporting year.
- On an annual basis when the estimated amount of tax is less than \$25.00 a month. The closing date is the last day of December of the reporting year.

What happens if my hospitality tax form is postmarked after the 20th day following my closing period? Returns with a U.S. mail postmark date (not metered date) on or before the due date are considered as timely filed. If the 20th day of the month falls on a Saturday, Sunday, postal service holiday or City holiday, then payments postmarked or made at the City's Finance Office on the next business day will be accepted as timely filed. A 5% late fee is imposed on the unpaid tax for each month, or portion thereof, after the due date until paid.

What happens if I fail to make the required hospitality tax payments? Local hospitality taxes due remaining unpaid 30 days after the due date will be sent to the Business License Inspector for enforcement. This may include a Municipal Summons to appear in Municipal Court. It may also include the revocation of an establishment's business license.

What happens if I lose my booklet? Booklets will be mailed to businesses each December. If you lose your booklet you may download the reporting forms from our website at www.cityofeasley.org. You may also contact the Finance Department at 864-855-7900, ext. 7206.

If I own more than one business that is required to remit hospitality taxes, do I have to send a separate check for each location? No, one check for all locations will be acceptable. However, please submit a separate reporting form for each location and mail the check and forms together.

How long do I need to keep my records? Every business required to remit taxes shall maintain books and records showing the taxes due for a period of three years after the tax is due. The City Clerk & Treasurer, or his/her designee, shall have access to these books and records to assure compliance with the City Code.

Where should I send my hospitality tax payments? The reporting form and payment should be delivered or mailed to:

City of Easley
Finance Department
P.O. Box 466
Easley, SC 29641