

Appendix A

Business and Professional License Classification and Rate Schedule 2020

Gross Receipts: \$0.00 - \$100,000.00

All over \$100,000.00

Rate per thousand (rounded up)
or fraction thereof

<u>CLASS</u>	<u>MINIMUM BASE RATE</u>		<u>PER ONE THOUSAND RATE</u>	
	In City	Out of City	In City	Out of City
1	\$34.20	\$68.40	\$1.86	\$3.72
2	\$41.80	\$83.60	\$1.94	\$3.88
3	\$49.40	\$98.80	\$2.01	\$4.02
4	\$57.00	\$114.00	\$2.09	\$4.18
5	\$64.60	\$129.20	\$2.17	\$4.34
6	\$72.20	\$144.40	\$2.24	\$4.48
7	\$79.80	\$159.60	\$2.32	\$4.64
8	\$87.40	\$174.80	\$2.39	\$4.78

TIERED REDUCTION FOR TOP GROSSING BUSINESSES

Licenses that typically pay more than \$50,000 in business license taxes per calendar year will be in a separate category as follows:

- Figure the business license tax using the calculation sheet provided with the business license application (remembering to round up on the per 1000 rate).
- If the business license tax is between \$50,000 and \$75,000 deduct 10%. This will be your new business license tax.
- If the business license tax is between \$75,001 and \$100,000 deduct 15%.
- If the business license tax is \$100,001 and over deduct 20%.

NONRESIDENT RATES

Unless otherwise specifically provided, all minimum taxes and rates shall be multiplied by 200 percent for nonresidents and itinerants having no fixed principal place of business within the municipality.

CLASS 8 RATES

Rate Class 8.1

NAICS

230000 CONTRACTORS, CONSTRUCTION, ALL TYPES:

Resident (having permanent place of business within municipality)

First.....\$100,000.00..... \$49.40 Plus

Each Additional.....\$1,000..... \$2.01

Itinerant (having no permanent place of business in the municipality or a non-resident)

First..... \$100,000.00..... ..\$95.00 Plus

Each Additional.....\$1,000..... \$3.00

Residents shall pay on all work in and out of City except that on which a license tax is paid to another entity. The total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle contractor to complete the job without regard to the normal license expiration. An amended report shall be filed for each new job and the appropriate additional license tax 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.

No contractor shall be issued a business license until all state and municipality 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.

Subcontractors shall be licensed on the same basis as general or prime contractors for the same job and no deductions shall be made by a general or prime contractor for value of work performed by a subcontractor unless the General Contractor qualifies for the Business License Incentive program defined below.

No contractor shall be issued a business license until all performance an 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 inspector a list of subcontractors furnishing labor or materials for each project and shall report in each case the contract amount.

A trailer at the construction site or structure in which the contractor temporarily resides does not qualify as a permanent place of business for purposes of this ordinance.

BUSINESS LICENSE INCENTIVE PROGRAM

The City of Hardeeville, SC has developed a new business license tax incentive program to incentivize and encourage private capital investment and reinvestment opportunities in the community. The development of the program is intended to recognize the benefits of new investment and its contribution to the economic health and stability of the city. As an incentive to encourage this development in our community the City established a program for those projects meeting specific criteria as outlined below:

The General Contractor (GC) submits a building permit with a valuation of three (3) million dollars or more. The GC will pay a business license tax on the full contract amount. The GC will still be required to provide a completed sub roster list at the beginning and the end of the project before a Certificate of Occupancy will be released. The subcontractors will not purchase a business license for this project; however, the Business License Coordinator may require certain sub-contractors to register with the city to confirm appropriate state licensing, if applicable. Failure to comply with such requirements may render the GC ineligible for the Business License Incentive Program. If a GC is rendered ineligible, the GC shall be responsible for payment of an amount equal to the amount waived by the City for the subcontractors on the project. A Certificate of Occupancy will not be issued until all payments or requirements provided herein are satisfied.

If the General Contractor participates in this incentive program, they are not eligible for the tiered reduction for top grossing businesses as defined in this Ordinance.

Rate Class 8.2

482 RAILROAD COMPANIES License Tax.....Per State Code
12-23-210

Rate Class 8.3

5171
5172 TELECOMMUNICATIONS

Notwithstanding any other provisions of the Business License Ordinance, the business license tax for "retail telecommunications services", as defined in S. C. Code section 58-9-2200, shall be at the maximum rate authorized by S. C. Code section 58-9-2220, as it now provides or as provided by its amendment. The business license tax year shall begin on January 1 of each year. Declining rates shall not apply.

In conformity with S.C. Code section 58-9-2220, the business license tax for "retail telecommunications services" shall apply to the gross income derived from the sale of retail telecommunications services for the preceding calendar or fiscal year which either originate or terminate in the municipality and which are charged to a service address within the municipality 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 sale 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 municipality. For a business in operation for less than one year, the amount of business license tax shall be computed on a twelve-month projected income.

- a. The business license tax for "retail telecommunications services" shall be due on January 1 of each year and payable by January 31 of that year, without penalty.
- b. 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 the business license ordinance 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.

All fees collected under such a franchise or contractual agreement expiring after December 31, 2003, shall be in lieu of fees or taxes which might otherwise be authorized by this Ordinance.

As authorized by S. C. Code section 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 section 58-9-2200 shall continue in effect.

- 517110 TELEVISION, CABLE OR PAY.....Franchise**
- 22112**
- 22121 ELECTRIC AND GAS COMPANIES.....Franchise**

Rate Class 8.4
(Non-Resident Rates Apply)

A. JUNK OR SCRAP DEALERS

- 423930** First.....\$100,000.00.....\$144.40 Plus
- Each Additional.....\$1,000.00.....\$3.72

B. PAWNBROKERS (used goods)

- 522298** First.....\$100,000.00.....\$110.20 Plus
- Each Additional\$1,000.00..... \$2.96

Rate Class 8.5
(Non-Resident Rates Apply)

- 4411**
- 4412 AUTOMOTIVE AND MOTOR VEHICLE DEALERS**
- AND FARM MACHINERY, RETAIL**

- First.....\$100,000.00.....\$34.20 Plus
- Each Additional.....\$1,000.00.....\$1.86

One sales lot not more than 400 feet from the main showroom may be operated under this license provided that proceeds from sales at the lot are included in gross receipts at the main office when both are operated under the same name and ownership.

Gross receipts for this classification shall include value of trade-ins. Dealer transfers or internal repairs on resale items shall not be included in gross income.

Rate Class 8.6
(Non-Resident Rates Apply)

454390 Direct Retail Sales

First.....\$100,000.00.....\$152.00 Plus
Each Additional.....\$1,000.00..... \$1.98

Produce vendors selling farm products in substantially same condition as when leaving field or orchard shall pay ½ of appropriate rate class for a temporary six (6) month business license.

Exhibitors at an organized trade show, arts and crafts show, or festival held on a City-owned venue will not be required to pay a license tax for businesses conducted at such show or festival. Other exhibitors will be licensed as direct retail sales.

Rate Class 8.7

5241 INSURANCE COMPANIES

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

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

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.

631-632 52411 Life, Health and Accident 0.75% of Gross Premiums

633-635	524126	<u>Fire and Casualty</u>	2% of Gross Premiums
636	524127	<u>Title Insurance</u>	2% of Gross Premiums

Notwithstanding any other provisions of this ordinance, 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 5% of the tax due per month, or portion thereof, after the due date until paid.

Gross income from interstate commerce shall be included in the gross income for every business subject to a business license tax.

Pursuant to S.C. Code Ann. §§ 38-45-10 and 38-45-60, the Municipal Association of South Carolina is designated the municipal agent for purposes of administration of the municipal broker’s premium tax. The agreement with the Association for administration and collection of current and delinquent license taxes from insurance companies as authorized by S.C. Code § 5-7-300 and administration of the municipal broker’s premium tax.

524210 BROKERS FOR FIRE AND CASUALTY INSURERS

The South Carolina General Assembly, in order to ensure consistency with the federal Non-admitted and Reinsurance Reform Act of 2010 (“NRRA”), ratified an act (Rat #283) on June 28, 2012, amending S.C. Code 38-7-16 and 38-45-10 through 38-45-195. The act establishes a blended broker’s premium tax rate of 6 percent comprised of a 4 percent state broker’s premium tax and a 2 percent municipal broker’s premium tax. The act states a municipality may not impose on brokers of non-admitted insurance in South Carolina an additional license tax or tax based upon a percentage of premiums. The act authorizes the Municipal Association of South Carolina to act as the municipal agent for purposes of distributing to municipalities the municipal broker’s tax collected by the South Carolina Department of Insurance.

**Rate Class 8.8
(Non-Resident Rates Apply)**

Vending machines (for example, cigarettes, candy, food machines) are not subject to local licenses on each machine by a state statute. A business license may be charged on gross income from operating vending machines.

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 the SC Department of Revenue pursuant to S.C. Code § 12-21-2720(A)(1) and (A)(2) – [**Type I and Type II**]

Failure to submit appropriate payments for coin operated commercial amusement machines to the City shall be considered a misdemeanor and shall be enforced by order of the chief of police and the appropriate authorities.
(Ord. of 12-13-84 [1]).

A. OPERATOR OF MACHINE

713120 \$12.50 per machine plus \$12.50 business license for operation of all machines (not on gross income). [§12-21-2746]

B. DISTRIBUTOR SELLING OR LEASING MACHINES

(not licensed by the State as an operator pursuant to § 12-21-2728)

Plus on first\$100,000.00.....\$41.80 Plus

Each Additional.....\$1,000.00.....\$1.94

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]

C. OPERATOR OF MACHINE (OWNER OF BUSINESS)

713290 \$12.50 per machine plus \$12.50 business license for operation of all machines (not on gross income). [§12-21-2720(B)]

**Rate Class 8.9
(Non-Resident Rates Apply)**

A. DRINKING PLACES BARS, LOUNGES AND TAVERNS (Alcoholic beverages consumed on premises) **License** must be issued in the name of the individual who has been issued a State alcohol, beer or wine permit or license and will have actual control and management of the business.

722410 First.....\$100,000.00.....\$148.20 Plus

Each Additional.....\$1,000.00..... \$3.72

B. BINGO (state license required)

713290 First.....\$100,000.00.....\$148.20 Plus

Each Additional.....\$1,000.00.....\$3.72

C. CARNIVALS, CIRCUSES AND SPECIAL EVENTS
(City sponsored events are exempt)

711190	First.....	\$100,000.00.....	\$148.20	Plus
	Each Additional.....	\$1,000.00.....	\$3.72	

Rate Class 8.10
(Non-Resident Rates Apply)

713990	BILLIARD OR POOL ROOMS			
	All types.....	\$5.00 per table		
	Plus on First.....	\$100,000.00.....	\$148.20	Plus
	Each Additional.....	\$1,000.00.....	\$3.72	