

IMPORTANT NOTICE **EFFECTIVE AUGUST 1, 2009**

File Number

To: Accommodations and Retailers Located in or Making Sales into the City of Myrtle Beach
From: South Carolina Department of Revenue
RE: Local 1% Tourism Development Tax

The City of Myrtle Beach has imposed (City Council Ordinance 2009-26) a 1% fee for tourism development that under state law will be administered and collected by the Department of Revenue in the same manner as all local sales and use taxes. Since it is a type of sales and use tax, it will be called the Tourism Development Tax for purposes of this notice.

Effective August 1, 2009, the 1% Tourism Development Tax will apply to all retail sales in or into the city limits of the City of Myrtle Beach, including all rentals of accommodations, and charges for additional guest services, at hotels and other places furnishing accommodations within the city limits. It is in addition to the 1% Capital Projects Tax and the 1% Education Capital Improvements Tax currently imposed in the city. After implementation, the sales and use tax rate in the city of Myrtle Beach will be 9% (10% for rental of accommodations) for state and local taxes reported to the Department of Revenue.

Section 7 has been added to the Form ST-389, Schedule for Local Taxes and Unprepared Food, for your use in reporting the 1% Tourism Development Tax. You should use the code '2615' in Section 7 of the ST-389 to indicate the sales in the city of Myrtle Beach subject to the 1% Tourism Development Tax.

All transactions currently subject to the 6% sales and use tax are subject to this new 1% Tourism Development Tax, with the **following three exceptions:**

- 1) Items subject to a \$300 maximum tax are exempt from the local sales and use taxes. The maximum tax applies to the sale or lease of motor vehicles, airplanes, boats, motorcycles, trailers or semi-trailers pulled by truck tractors, horse trailers, recreational vehicles and self-propelled light construction equipment. The \$300 maximum tax applies to the sale of musical instruments and office equipment to religious organizations. **Note:** Sales of trailers that can be pulled by vehicles other than truck tractors, and sales of pole trailers, are not exempt from the local sales and use taxes.
- 2) Sales of unprepared food are exempt from the 1% Tourism Development Tax by the city ordinance as well as the Educational Capital Improvements Tax. These sales are subject to the Capital Projects Tax listed above. Unprepared food is defined as food which may be purchased with food stamps. The exemption applies to everyone, not just those using food stamps.

- 3) The sales of tangible personal property delivered after the imposition date, either under the terms of a construction contract executed before the imposition date, or a written bid submitted before the imposition date which reached completion in a construction contract, are exempt from the sales and use tax. However, this exemption requires a verified copy of the contract be filed with the Department of Revenue within six months after the imposition of the local tax. You may apply for this exemption by completing the Form ST-10C (Application for exemption from Local Tax for Construction Contractors) which is available from our website, www.sctax.org. You may also wish to review SC Information letter #09-8 on the website for additional information concerning this exemption.

If you have questions concerning reporting of sales, please call one of the following Taxpayer Service Centers:

Columbia Main Office	803-898-5788	Greenville Service Center	864-241-1200
Charleston Service Center	843-852-3600	Myrtle Beach Service Center	843-839-2960
Florence Service Center	843-661-4850	Rock Hill Service Center	803-324-7641