

AN ORDINANCE TO ADOPT A REVISED BUSINESS LICENSE ORDINANCE IN ACCORDANCE WITH THE BUSINESS LICENSE STANDARDIZATION ACT (2020 ACT NO. 176)

WHEREAS, in September 2020, the South Carolina General Assembly adopted the South Carolina Business License Tax Standardization Act (2020 Act No. 176), now codified at S.C. Code Sections 6-1-400 to 6-1-420 (the "Act"); and

WHEREAS, the Act requires all municipalities and counties that impose a business license tax to adopt a standard business license year of May 1 through April 30; and

WHEREAS, the Act requires all municipalities and counties that impose a business license tax to utilize the Act's standardized business license requirements and class schedule; and

WHEREAS, the Act requires all municipalities and counties to update their business license class schedules every odd year based on the latest available IRS statistics; and

WHEREAS, in establishing the rates for the business license taxes set out in the 2022 Business License Ordinance, the Council has determined, as contemplated by new S.C. Code section 6-1-400(G)(1) and (2), that, in addition to the sound basis of taxation using IRS statistics on profitability, a rational basis also exists for particularized treatment of certain business subclassifications in Class 8 and 9 with individually designated rates, for reasons of economic stimulus or in consideration of the enhanced or disproportionate demands for County services or infrastructure; and

WHEREAS, in order to comply with the requirements of the Act, the County of Sumter (the "County") has prepared the attached 2022 Business License Ordinance, codified as County Code sections 26-23 through 26-45, which is incorporated herein by this reference,

NOW THEREFORE, BE IT ORDAINED BY THE COUNTY COUNCIL OF THE COUNTY OF SUMTER, SOUTH CAROLINA, AT ITS REGULAR MEETING DULY ASSEMBLED AND BY THE AUTHORITY THEREOF:

1. The attached 2022 Business License Ordinance, to be codified as Sections 26-23 through 26-45 of Article II of Chapter 26 of the County Code, is hereby adopted and incorporated by this reference, and shall become effective beginning with the business license period commencing on May 1, 2022 ("the Effective Date"). The attached Appendix A ("Business License Rate Schedule"), including Class 8 Rates and Class 9 Rates, and the attached Appendix B ("Business License Class Schedule by NAICS Code"), also are hereby adopted and incorporated by this reference, and also shall become effective commencing on the Effective Date.

2. Current Appendix A and Appendix B, and current County Code sections 26-23 through 26-42, related to business licensing, shall be repealed and replaced in their entirety by the attached beginning with the Effective Date, with the following exceptions:

- (a) Any ordinances of the County related to collections programs administered by the Municipal Association of South Carolina, including without limitation, the Insurance Tax Collection Program (ITCP), the Brokers Tax Collection Program (BTCPP), the Telecommunications Tax Collection Program (TTCP), and Setoff Debt Collection Program, shall remain in full force and effect in accordance with their terms except to the extent specifically amended by the 2022 Business License Ordinance, and
- (b) The repeal shall not affect any previous or pending prosecution or civil action for enforcement of the repealed ordinances or County Code sections, or for collection of any business license taxes or penalties or interest arising from the repealed ordinances or County Code sections, and neither shall the repeal prevent such a prosecution or civil action from being commenced for any violation occurring prior to the repealing of the ordinances or County Code sections.

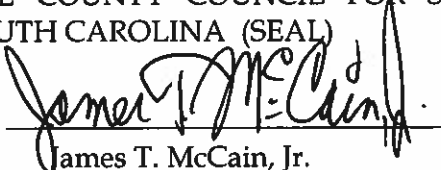
3. The repeal provided for in section 2 hereof shall not be construed to revive any ordinance or part thereof that has been repealed by a subsequent ordinance that is repealed by this Ordinance.

4. If any section, subsection, or clause of this Ordinance, or the new Article II of Chapter 26 of the County Code, or the new Appendices, shall be deemed or determined to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

Following adoption of this Ordinance on its third and final reading, the attached 2022 Business License Ordinance, Appendix A, and Appendix B, along with the remaining provisions of this Ordinance, shall become effective, as provided above, beginning with the business license period commencing on May 1, 2022.

ADOPTED IN COUNCIL ASSEMBLED THIS 14th DAY OF December 2021.

THE COUNTY COUNCIL FOR SUMTER COUNTY,
SOUTH CAROLINA (SEAL)

BY: 
James T. McCain, Jr.

ITS: Chairman

ATTEST:


Mary W. Blanding
Its: Clerk of County Council

First Reading: November 23, 2021.

Second Reading: November 30, 2022.

Public Hearing: December 14, 2022

Third Reading and Adoption: December 14, 2022.

APPENDIX A
BUSINESS LICENSE RATE SCHEDULE

Application Fee: \$50.00

RATE CLASS	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
	BASE RATE	RATE PER \$1,000 OR FRACTION THEREOF
1	\$ 25.00	\$ 1.15
2	\$ 30.00	\$ 1.30
3	\$ 35.00	\$ 1.60
4	\$ 40.00	\$ 1.90
5	\$ 45.00	\$ 2.20
6	\$ 50.00	\$ 2.50
7	\$ 55.00	\$ 2.80
8.1	\$ 50.00	\$ 0.85
8.2	Set by state statute	
8.3	MASC Telecommunications	
8.4	MASC Insurance	
8.51	\$12.50 + \$12.50 per machine	
8.6	\$5.00 per table	
9.1	\$ 40.00	\$ 1.90
9.2	\$ 50.00	\$ 2.50
9.3	\$ 25.00	\$ 0.80
9.41	\$ 500.00	\$ 5.00
9.42	\$ 5.00	\$ 2.50
9.5	\$ 225.00	\$ 1.30
9.6	\$ 100.00	\$ 2.50
9.7	\$ 250.00	\$ 5.00

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 County.

DECLINING RATES

Declining Rates apply in all Classes for gross income in excess of \$1,000,000, unless otherwise specifically provided for in this ordinance.

<u>Gross Income in \$ Millions</u>	<u>Percent of Class Rate for each additional \$1,000</u>
0 - 1	100%
1 - 2	50%
2 - 3	45%
3 - 4	40%
4 - 5	35%
5 - 6	30%
6 - 7	25%
7 - 8	20%
8 - 9	15%
OVER 9	10%

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 County 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 County 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 County:

Minimum on first \$2,000.....	\$ 50.00 PLUS
Each additional 1,000.....	\$ 0.85

Non-resident rates apply to contractors that do not have a permanent place of business within the County. 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 County 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 (See S.C. Code § 12-23-210).

8.3 Reserved.

8.4 Reserved.

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 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.

8.6 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.....	\$50.00 PLUS
Per \$1,000, or fraction, over \$2,000.....	\$2.50

CLASS 9 RATES

In accord with S.C. Code section 6-1-400(G)(2), Class 9 consists of additional subclassifications for which the Council has determined a rational basis exists for individually designated rates rather than those derived from IRS statistics. This determination is based on particularized considerations for economic stimulus or for enhanced or disproportionate demands for municipal services and infrastructure.

Non-resident rates do not apply except where indicated.

9.1 NAICS 423930 – Junk or Scrap Dealers [Non-resident rates apply].

Minimum on first \$2,000.....\$40.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$1.90

9.2 NAICS 522298 – Pawn Brokers [All Types].

Minimum on first \$2,000.....\$50.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$2.50

9.3 NAICS 4411, 4412 – Automotive, Motor Vehicles, Boats, Farm Machinery or Retail.

(except auto supply stores - see 4413)

Minimum on first \$2,000.....\$25.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$0.80

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.

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.....\$500.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$2.50

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.....\$5.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$2.50

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

9.5 NAICS 713290 – Bingo halls, parlors.

Minimum on first \$2,000.....\$225.0 PLUS
Per \$1,000, or fraction, over \$2,000.....\$1.30

9.6 NAICS 711190 – Carnivals and Circuses.

Minimum on first \$2,000.....\$100.00 PLUS
Per \$1,000, or fraction, over \$2,000.....\$2.50

9.7 NAICS 722410 – Drinking Places, bars, lounges, cabarets (Alcoholic beverages consumed on premises).

Minimum on first \$2,000..... \$250.00_ PLUS
Per \$1,000, or fraction, over \$2,000.....\$5.00

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.

APPENDIX B

BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	2.00
21	Mining	4.00
23	Construction	8.10
31-33	Manufacturing	2.00
42	Wholesale trade	1.00
423930	Recyclable Material Merchant Wholesalers (Junk)	9.10
44-45	Retail trade	1.00
4411	Automobile Dealers	9.30
4412	Other Motor Vehicle Dealers	9.30
454390	Other Direct Selling Establishments (Peddlers)	9.41 & 9.42
48-49	Transportation and warehousing	2.00
482	Rail Transportation	8.20
51	Information	4.00
517311	Wired Telecommunications Carriers	8.30
517312	Wireless Telecommunications Carriers (except Satellite)	8.30
52	Finance and insurance	7.00
522298	Pawnshops	9.20
5241	Insurance Carriers	8.40
5242	Insurance Brokers for non-admitted Insurance Carriers	8.40
53	Real estate and rental and leasing	7.00
54	Professional, scientific, and technical services	5.00
55	Management of companies	7.00
56	Administrative and support and waste management and remediation services	4.00
61	Educational services	4.00
62	Health care and social assistance	4.00
71	Arts, entertainment, and recreation	3.00
711190	Other Performing Arts Companies (Carnivals and Circuses)	9.60
713120	Amusement Parks and Arcades	8.51
713290	Nonpayout Amusement Machines	8.52
713290	Bingo Halls	9.50
713990	All Other Amusement and Recreational Industries (pool tables)	8.60
721	Accommodation	3.00
722	Food services and drinking places	1.00

722410	Drinking Places (Alcoholic Beverages)	9.70
81	Other services	5.00

Note: Class Schedule is based on 2017 IRS data.