

Town Council Considering Local Hospitality Tax

FOR IMMEDIATE RELEASE

June 6, 2017 Contact: Ted Luckadoo 803-532-4601 or tluckadoo@batesburg-leesville.org

Town Council met Monday evening in a special work session to discuss the continued development of the Town's Strategic Plan, the budget, and to receive information by staff regarding the development and implementation of a Local Hospitality Tax. The hospitality tax presentation was requested by Council in January to determine the feasibility and utilization of a local hospitality tax program.

The information presented to Council for consideration included the law, its intended uses, and potential impact on the Town. A local hospitality tax is an optional 2% sales tax added to prepared food and beverages only and is designed to provide revenue for projects related to tourism, revitalization and growth.

If the hospitality tax is adopted, for example a meal purchased within the Town costing \$10.00 will include an additional charge of 20 cents. However, families and individuals that purchase unprepared food from grocery stores, food meant to be cooked at home, will not experience the new charge.

According to state law, municipalities may impose up to a 2% local hospitality tax on prepared food and beverages whose revenue must be used exclusively for tourism-related facilities, infrastructure, advertisement/promotions, and other tourism-related activities. Nearly half of all municipalities in South Carolina currently collect a local hospitality tax with Batesburg-Leesville being one of the largest remaining that does not.

In addition, Council was informed that a local hospitality tax is projected generate more than \$400,000 annually in revenue. Potential projects mentioned in the presentation included new Town entrance signs, new Christmas lights, park improvements, façade improvement grants, and the development of a Hospitality Tax Master Plan.

The general sense of Council was optimism about the ability of the local hospitality tax to revitalize and grow the community without placing that burden solely on the backs of town property taxpayers. Since a local hospitality tax is paid by everyone who consumes prepared

food and beverages, visitors and tourists will share in the maintaining and repairing of Town infrastructure and facilities that they also enjoy.

Council intends to hold a series of community information meetings to further discuss the local hospitality tax and its utilization. These information sessions are expected to be held throughout the summer at various locations and times to be announced.

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