

## **Appendix A**

### **Classification and Rates.**

#### **RATE SCHEDULE**

<b>RATE CLASS</b>	<b>INCOME: 0 - \$2,000 MINIMUM TAX</b>	<b>INCOME OVER \$2,000 Rate per Thousand or fraction thereof</b>
1	\$20.00	\$1.15
2	\$25.00	\$1.20
3	\$30.00	\$1.25
4	\$35.00	\$1.30
5	\$40.00	\$1.35
6	\$45.00	\$1.40
7	\$50.00	\$1.45
8	See individual business	In Class 8

#### **NONRESIDENT 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 municipality.

#### **DECLINING RATES**

Declining Rates apply in all Classes for gross income in excess of \$5,000,000.00	
Gross Income in \$ Millions	Percent of Class Rate for each additional \$1,000.00
0 - 5	100%
<u>5</u> - 7	95%
<u>7</u> - <u>9</u>	90%
<u>9</u> - 110	85%
Over 110	45%

**CLASS 8 RATES**

<b>Business Type</b>	<b>Class</b>	<b>INCOME: 0 - \$2,000 MINIMUM TAX</b>	<b>INCOME OVER \$2,000 Rate per Thousand or fraction thereof</b>	
Power company	8	\$60	\$1.45	
Contractor	8.1	\$30	\$1.25	Non-resident Rates Apply
8B railroad	8.2	\$410		
Taxi	8.21	\$30	\$1.25	Non-resident Rates Apply
Telephone	8.3	\$30	\$1.25	
Cable	8.4	\$50	\$1.45	
Junk/scrap	8.41	\$60	\$2.45	Non-resident Rates Apply
Pawn	8.42	\$400	\$1.70	
Auto/motor	8.5	\$20	\$0.95	
Peddlers	8.6	\$135	\$3.05	Non-resident Rates Apply
Peddlers seasonal	8.61	\$20	\$3.05	Non-resident Rates Apply
Insurance	8.7			
Coin operated per machine	8.8	\$12.50		
Coin machine gross receipts	8.81	\$35	\$1.30	Non-resident Rates Apply
Amusement per machine	8.82	\$12.50		
Amusement gross receipts	8.83	\$35	\$1.30	Non-resident Rates Apply
Bingo	8.9	\$300	\$3.05	
Carnivals / circus	8.91	\$200	\$5.05	
Drinking place	8.92	\$265	\$5.55	
Special events	8.93	\$200		
Pool hall	8.94	\$25	\$1.80	

Each NAICS Number designates a separate sub-classification. 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, etc., which are deemed to be sufficient to require individually determined rates. Non-resident rates do not apply except where indicated.

8 **NAICS 22112 - Electric Power Distribution**.....See consent or franchise

**NAICS 22121 - Natural Gas Distribution**..... See consent or franchise

8.1 **NAICS 230000 - Contractors. Construction. All Types**

A. Having permanent place of business within the municipality

Minimum on first \$2,000.00 .....\$30.00 PLUS

Each additional \$1,000.....\$1.25

B. Non-resident (no permanent place of business in the municipality)

Minimum on first \$2,000.00 .....\$60.00 PLUS

Each additional \$1,000.00.....\$ 2.50 (additional non-resident double rates do not apply)

A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this article.

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 date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000.00 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 municipal 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 subcontractors furnishing labor or materials for each project.

8.2 **NAICS 482 - Railroad Companies** - (See Code § 12-23-210) .....\$410.00

### **8.3 NAICS 5171, 5172 - Telephone Companies:**

**A.** Notwithstanding any other provisions of the business license article, 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.

**B.** 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.

**C.** 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.

**D.** The delinquent penalty shall be five (5%) percent of the tax due for each month, or portion thereof, after the due date until paid.

**E.** Exemptions in the business license article 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.

**F.** Nothing in this article shall be interpreted to interfere with continuing obligations of any franchise agreement or contractual agreement in the event that the franchise or contractual agreement should expire after December 31, 2003.

**G.** 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 article.

**H.** 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.

**8.4 NAICS 517110 – Television: Cable or Pay**

Services using public streets.....See Franchise

**Cable television services not using public**

**streets:** Minimum on first \$2,000.....\$50.00

PLUS Per \$1,000, or fraction, over

\$2,000.....\$1.45

**8.41 NAICS 423930 - Junk or Scrap Dealers [Nonresident rates apply]**

Minimum on first \$2,000.....\$60.00 PLUS

Per \$1,000, or fraction, over \$2,000 .....\$2.45

**8.42 NAICS 522298 - Pawn Brokers - All Types**

Minimum on first \$2,000.....\$400.00 PLUS

Per \$1,000, or fraction, over \$2,000.....\$1.70

**8.5 NAICS 4411, 4412 - Automotive, Motor Vehicles, Boats, Farm Machinery, or Retail**

(except auto supply stores - see 4413)

Minimum on first \$2,000.....\$20.00 PLUS

Per \$1,000, or fraction, over \$2,000.....\$0.95

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 full sales price without deduction for trade-ins. Dealer transfers shall not be included in gross receipts.

**NAICS 454390 – Peddlers, Solicitors, Canvassers, Door-To-Door Sales**

Direct retail sales of merchandise. [Non-resident rates apply]

**8.6 Regular activities [more than two sale periods of more than three days each per year]**

Minimum on first \$2,000.....\$135.00 PLUS

Per \$1,000, or fraction, over \$2,000.....\$3.05

**8.61 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.....\$20.00 PLUS

Per \$1,000, or fraction, over \$2,000.....\$3.05

Applicant for a license to sell on private property must provide written authorization from the property

owner to use the intended location.

**8.7 NAICS 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, or (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 or not 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.

**NAICS 52411 – Life, Health and Accident**.....0.75% of Gross Premiums

**NAICS 524126 – Fire and Casualty** (Licensed in SC).....2% of Gross Premiums

**NAICS 524127 – Title Insurance**.....2% of Gross Premiums

Notwithstanding any other provisions of this article, 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.

Any exemptions in the business license article for income from business in interstate commerce are hereby repealed. 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, by agreement with the Municipality, 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 shall remain in effect.

[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 fee or tax based upon a percentage of premiums.]

**NAICS 713120 - Amusement Machines, coin operated (except gambling)**

Music machines, juke boxes, kiddy 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]**

1. **8.8** Operator of machine.....\$12.50/machine PLUS  
.....\$12.50 business license for  
operation of all machines (not on gross income). [§ 12-21-2746]
  
2. **8.81** Distributor selling or leasing machines (not licensed by the State as an operator pursuant to §12- 21-2728) - [Nonresident rates apply.] - Minimum on first \$2,000.00 .....\$35.00 PLUS  
Per \$1,000, or fraction, over \$2,000.....\$1.30

**NAICS 713200 - 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]**

1. **8.82** Operator of machine (owner of business) .....\$12.50 business  
license for operation of all machines (not on gross income). **[§12-21-2720(B)]**
  
2. **8.83** Distributor selling or leasing machines (not licensed by the State as an operator pursuant to §12- 21-2728) - [Nonresident rates apply.] - Minimum on first \$2,000.....\$35.00 PLUS  
Per \$1,000, or fraction, over \$2,000.....\$1.30

**8.9 NAICS 713290 - Bingo halls, parlors -**

Minimum on first \$2,000.....\$300.00 PLUS  
Per \$1,000, or fraction, over \$2,000.....\$3.05

**8.91 NAICS 711190 - Carnivals and Circuses -**

Minimum on first \$2,000.....\$200.00 PLUS  
Per \$1,000, or fraction, over \$2,000.....\$5.05

**8.92 NAICS 722410 - Drinking Places, bars, lounges, cabarets**

(Alcoholic beverages consumed on premises)

Minimum on first \$2,000.00.....\$265.00 PLUS  
Per \$1,000, or fraction, over \$2,000.....\$5.55

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.

**8.93 NAICS 711310, 711320 Special Events**

Minimum on first \$2,000.....\$200.00 PLUS  
Per \$1,000, or fraction, over \$2,000.....\$5.05

**8.94 NAICS 713990 - Billiard or Pool Rooms, all types.....\$5.00 stamp/table**

PLUS Minimum on first \$2,000.....\$25.00 PLUS  
Per \$1,000, or fraction, over \$2,000.....\$1.80