

Hospitality Tax FAQ's

Q 1. What is a Hospitality Tax?

A. A 2% Tax imposed on the purchase of prepared or modified food and/or beverages intended for the consumption by a restaurant, hotel, motel, caterer or other food service facility within the City. In addition, the Tax shall be imposed on all food and beverages prepared or modified by convenience stores or grocery stores that have specified areas where good and beverages are prepared for immediate consumption or carry out.

Q2. Who is responsible for the collection and remittance of the Hospitality Tax?

A. The food service vendor is liable for the collection of the Tax from the patrons and the monthly remittance of these collections to the City of Cayce.

Q3. How will the Tax be remitted?

A. Taxes will be remitted to the Business License Office by the **20th** of each month for the prior month's total collections. Each remittance must include a completed Hospitality Tax, Monthly Reporting Form.

Q4. What if my payment is delinquent?

A. A penalty of **5%** per month must accompany all delinquent remittances, violations for non-payment of taxes and/or penalties are subject to fines, as provided under City of Cayce Ordinances.

Q5. Why was it necessary to implement a Hospitality Tax?

A. To fund the operation and maintenance of current tourism related facilities. Also, to fund necessary capital expenditures to promote quality of life, tourism, recreation, including future park facilities, cultural and historic structures, and to provide infrastructure and promotion to and for these projects, without relying solely upon property taxes and business license taxes.