

ORDINANCE 2024-22

AN ORDINANCE TO AMEND ARTICLE 4, FINANCE AND TAXATION, CHAPTER 3, MUNICIPAL BUSINESS LICENSES, SECTION 4-321. – CLASSIFICATION AND RATES, APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

WHEREAS, the Town of Kiawah Island is authorized by S.C. Code Section 5-7-30 and Title 6, Chapter 1, Article 3 to impose a business license tax on gross income; and

WHEREAS, by Act No. 176 of 2020, known as the South Carolina Business License Tax Standardization Act and codified at S.C. Code Sections 6-1-400 to -420 (the “Standardization Act”), the South Carolina General Assembly imposed additional requirements and conditions on the administration of business license taxes; and

WHEREAS, on December 2, 2021, Ordinance No. 2021-14 was enacted on December 7, 2021, was enacted in order to comply with the requirements of the Standardization Act; and

WHEREAS, the Town of Kiawah Island now finds that, upon further review, it is advisable to amend Section 4-321. – Classification Rates, Appendix “A”; and

WHEREAS, the Town of Kiawah Island Town Council now wishes to amend Article 4 - Finance and Taxation, Chapter 3 - Municipal Business Licenses, Section 4-321. – Classification Rates, Appendix “A” to define non-residents.

NOW, THEREFORE, BE IT ORDERED AND ORDAINED BY THE COUNCIL OF THE TOWN OF KIAWAH ISLAND, SOUTH CAROLINA, AND IT IS ORDAINED BY THE AUTHORITY OF SAID COUNCIL.

Section 1 **Purpose**

The purpose of this Ordinance is to amend Article 4 – Finance and Taxation, Chapter 3 – Municipal Business Licenses, Section 4-321. – Classification Rates, Appendix “A” to amend the definition of non-residents in “Appendix A” of the current ordinance “to businesses having no fixed principal place of business within the County.”

Section 2 **Ordinance**

The Town hereby amends Article 4 – Finance and Taxation, Chapter 3 – Municipal Business Licenses, Section 4-321. – Classification And Rates, Appendix A: Business License Rate Schedule as shown in the attached “**Exhibit “A.”**”

APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

RATE CLASS	INCOME: \$0 - \$2,000	INCOME OVER \$2,000
	BASE RATE	RATE PER \$1,000 OR FRACTION THEREOF
1	\$50.00	\$1.95
2	\$55.00	\$2.15
3	\$60.00	\$2.35
4	\$65.00	\$2.55
5	\$70.00	\$2.75
6	\$75.00	\$2.95
7	\$80.00	\$3.15
8.1	\$70.00	\$2.40
8.2	Set by state statute	
8.3	MASC Telecommunications	
8.4	MASC Insurance	
8.51	\$12.50 plus \$12.50 per machine	
8.52	\$12.50 plus \$180.00 per machine	
8.6	\$5 or 12.50 per table plus per \$1,000, or fraction, over \$2,000	\$2.00
9.8	Promoters of Events	

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	90%
2 - 3	80%
3 - 4	70%
OVER 4	60%

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 Municipality 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 municipal 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	\$ 70.00 PLUS
Each additional 1,000	\$ 2.40

Non-resident rates apply to contractors who 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 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.

Subcontractors 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 the value of work performed by a subcontractor.

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 the 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 the commencement of new work. Only one base tax shall be paid in a license year. Licensees holding a per-job license shall file, by 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 a 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 NAICS 517311, 517312 – Telephone Companies.

With respect to “retail telecommunications services” as defined in S. C. Code § 58-9-2200, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by a separate Ordinance (the “Telecommunications Collections Ordinance”). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to retail telecommunications services are set forth in the Telecommunications Collections Ordinance.

8.4 NAICS 5241 – Insurance Companies:

Independent agents, brokers, and their employees are subject to a business license tax based on their natural class. With respect to insurers subject to license fees and taxes under Chapter 7 of Title 38 and to brokers under Chapter 45 of Title 38, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by a separate Ordinance (the “Insurers and Brokers Collections Ordinance”). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to insurers and brokers are set forth in the Insurers and Brokers Collections Ordinance.

8.51 NAICS 713120 – Amusement Machines, coin-operated (except gambling).

Music machines, jukeboxes, kiddie rides, video games, pin tables with levers, and other amusement machines with or without free play features 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 the operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2746:

Per Machine	\$12.50 PLUS
Business license	\$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.

8.52 NAICS 713290 – 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**].

For the operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2720(B):

EXHIBIT A

Per Machine\$180.00 PLUS
Business license\$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 8.52.

8.6 NAICS 713990 – Billiard or Pool Rooms, all types.

A business that offers the use of billiard or pool tables shall be subject to business license taxation under its natural class for all gross income of the business, excluding the gross income attributable to the billiard or pool tables. In addition, the billiard or pool tables shall require their own separate business licenses pursuant to SC Code § 12-21-2746 and shall be subject to a 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.

Minimum on first \$2,000 \$5.00 or 12.50 per table PLUS
Per \$1,000, or fraction, over \$2,000 \$2.00

9.8 NAICS 711320- Promoters of Performing Arts, Sports, and Similar Events

Promoters of large events with over 15 attendees within the corporate limits of the Town of Kiawah Island shall be responsible for obtaining a Special Event Permit for a set fee based on the estimated and actual total attendance at the event. The Special Event Permit will include licensing of the subcontractors and/or vendors who provide products and services for profit associated with the event.

Promoters of large not-for-profit events, with over 15 attendees, within the corporate limits of the Town of Kiawah Island are not required to obtain a Special Event Permit; however, each of the subcontractors and/or vendors who provide products and services for profit associated with the event, shall be responsible for obtaining a Town of Kiawah Island Business License.

<u>Attendees</u>	<u>Special Event Permit Fee</u>
16 – 499	\$250
500 – 999	\$500
1,000-2,499	\$1,000
2,500-4,999	\$2,500
5,000-9,999	\$5,000
10,000-19,999	\$10,000
20,000 and over	\$20,000

Section 3 Severability

If any part of this Ordinance is held to be unconstitutional, it shall be construed to have been the legislative intent to pass said Ordinance without such unconstitutional provision, and the remainder of said Ordinance shall be deemed to be valid as if such portion had not been included. If said Ordinance, or any provisions thereof, is held to be inapplicable to any person, group of persons, property, kind property, circumstances, or set of circumstances, such holding shall not affect the circumstances or set of circumstances, such holding shall not affect the applicability thereof to any other persons, property, or circumstances.

Section 4 Effective Date and Duration

This Ordinance shall be effective upon its enactment by the Town Council for the Town of Kiawah Island.

PASSED, APPROVED, AND ADOPTED BY THE COUNCIL FOR THE TOWN OF KIAWAH ISLAND ON THIS 10TH DAY OF SEPTEMBER 2024.



Bradley D. Belt, Mayor

ATTEST:

By: 

Petra Reynolds, Town Clerk

1st Reading: July 2, 2024

2nd Reading: September 10, 2024