INTRODUCED

April 18, 2017

**H. 4135**

Introduced by Regulations and Administrative Procedures Committee

S. Printed 4/18/17--H.

Read the first time April 18, 2017.

**A** **JOINT RESOLUTION**

TO APPROVE REGULATIONS OF THE DEPARTMENT OF REVENUE, RELATING TO EXAMPLES OF THE APPLICATION OF TAX TO VARIOUS CHARGES IMPOSED BY HOTELS, MOTELS, AND OTHER FACILITIES, DESIGNATED AS REGULATION DOCUMENT NUMBER 4665, PURSUANT TO THE PROVISIONS OF ARTICLE 1, CHAPTER 23, TITLE 1 OF THE 1976 CODE.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. The regulations of the Department of Revenue, relating to Examples of the Application of Tax to Various Charges Imposed by Hotels, Motels, and Other Facilities, designated as Regulation Document Number 4665, and submitted to the General Assembly pursuant to the provisions of Article 1, Chapter 23, Title 1 of the 1976 Code, are approved.

SECTION 2. This joint resolution takes effect upon approval by the Governor.

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SUMMARY AS SUBMITTED

BY PROMULGATING AGENCY.

The South Carolina Department of Revenue is considering amending SC Regulation 117‑307.1, which provides examples of the application of the sales tax imposed on various charges by hotels, motels, and similar facilities to transient customers. Code Section 12‑36‑920(A) imposes a 7% sales tax on accommodations on the gross proceeds of rentals of rooms or lodgings provided by hotels, motels, and similar facilities; and Code Section 12‑36‑920(B) imposes a sales tax on certain additional guest charges.

Effective July 1, 2014, Act 172 of 2014 amended Code Section 12‑36‑920(B) to limit additional guest charges to room service, laundering and dry cleaning services, in‑room movies, telephone service, and rentals of meeting rooms; and amended Code Section 12‑36‑920(A) to provide that separately stated optional charges on a bill to a customer for amenities, entertainment, special items in promotional tourist packages, and other guest services are exempt from the 7% sales tax on accommodations.

The purpose of this regulation proposal is to revise the provisions of SC Regulation 117‑307.1 to comply with Act 172 of 2014, which limited the sales tax on additional guest charges to room service, laundering and dry cleaning services, in‑room movies, telephone service, and rentals of meeting rooms, and to inform the public of the impact of the new legislation. Additional questions were added to address room refreshment bars, safes, and other issues. The information in the regulation is consistent with the department’s position, as expressed in SC Revenue Ruling #14‑5. The amendment would be effective July 1, 2014, which is the effective date of the new legislation.

The Notice of Drafting was published in the *State Register* on July 22, 2016.

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