**South Carolina General Assembly**

126th Session, 2025-2026

**H. 3876**

**STATUS INFORMATION**

General Bill

Sponsors: Reps. Hewitt, Bailey, Kirby, Oremus, Hardee, McGinnis, Hayes, Cobb-Hunter, Ligon and Rutherford

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Summary: Accommodations

**HISTORY OF LEGISLATIVE ACTIONS**

 Date Body Action Description with journal page number

 1/30/2025 House Introduced and read first time (House Journal‑page 48)

 1/30/2025 House Referred to Committee on **Ways and Means** (House Journal‑page 48)

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**VERSIONS OF THIS BILL**

[01/30/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/3876_20250130.docx)

A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 12‑36‑72 SO AS TO SPECIFY THE PARTY RESPONSIBLE FOR COLLECTING AND REMITTING CERTAIN TAXES AND FEES IMPOSED ON ACCOMMODATIONS; BY AMENDING SECTION 12‑36‑70, RELATING TO THE DEFINITION OF RETAILER, SO AS TO INCLUDE PERSONS OPERATING AS AN ACCOMMODATIONS INTERMEDIARY AND TO DELETE AN EXCEPTION; BY AMENDING SECTION 12‑36‑920, RELATING TO THE ACCOMMODATIONS TAX, SO AS TO SPECIFY THE PARTY RESPONSIBLE FOR COLLECTING AND REMITTING CERTAIN TAXES AND FEES IMPOSED ON ACCOMMODATIONS AND TO REQUIRE AN ANNUAL REPORT ON IMPOSITIONS; BY AMENDING SECTION 6‑1‑510, RELATING TO THE LOCAL ACCOMMODATIONS TAX, SO AS TO INCLUDE GROSS PROCEEDS OF PERSONS ACTING AS A MERCHANT OF RECORD; BY AMENDING SECTION 6‑1‑520, RELATING TO THE LOCAL ACCOMMODATIONS TAX SO AS TO REQUIRE A LOCAL GOVERNMENT TO NOTIFY THE DEPARTMENT OF REVENUE AND THE STATE TREASURER OF CERTAIN IMPOSITIONS; BY AMENDING SECTION 6‑1‑570, RELATING TO REMITTING THE LOCAL ACCOMMODATIONS TAX, SO AS TO CLARIFY THE TAX IS TO BE COLLECTED; BY AMENDING SECTION 6‑1‑630, RELATING TO THE BEACH PRESERVATION FEE, SO AS TO REQUIRE THE FEE TO BE COLLECTED AND REMITTED IN THE SAME MANNER AS THE LOCAL ACCOMMODATIONS TAX AND TO REQUIRE THE LOCAL GOVERNMENT TO NOTIFY THE DEPARTMENT OF REVENUE AND THE STATE TREASURER OF THE IMPOSITION OF THE FEE; AND BY AMENDING SECTION 5‑7‑30, RELATING TO THE POWERS OF A MUNICIPALITY, SO AS TO REQUIRE CERTAIN UNIFORM SERVICE CHANGES ON ACCOMMODATIONS BE COLLECTED AND REMITTED IN THE SAME MANNER AS THE LOCAL ACCOMMODATIONS TAX AND TO REQUIRE THE LOCAL GOVERNMENT TO NOTIFY THE DEPARTMENT OF REVENUE AND THE STATE TREASURER OF THE IMPOSITION OF THE FEE.

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

SECTION 1. Article 1, Chapter 36, Title 12 of the S.C. Code is amended by adding:

 Section 12‑36‑72. (A) For purposes of this section:

 (1) “Accommodations intermediary” means any person, firm, or corporation other than an accommodations provider, including online travel agencies and digital booking platforms, that facilitate the rental or provision of accommodations for rent, or that otherwise facilitates lodging or accommodation transactions, all which are subject to the tax levied pursuant to Section 12‑36‑920, and charges a fee or commission to the customer which it retains as compensation for such facilitation.

 (2) “Accommodations provider” means any person, firm, or corporation which owns, directly or indirectly, or any professional property management company which manages, an accommodation and engages in transactions subject to the tax levied pursuant to Section 12‑36‑920 that is required to have an active account with the department and is required to collect and remit tax on such transactions.

 (3) “Facilitate” means brokering, coordinating, arranging, or otherwise enabling the rental or purchase of the right to use accommodations, including through online marketplaces, digital platforms, or via one or more payment processors, directly between a customer and an accommodations provider.

 (4) “Merchant of record” means the legally authorized and responsible entity that receives and processes customer payments for the sales of goods or services, including the facilitation of accommodations transactions within this State.

 (5) “Professional property management company” means a business operating under a licensed real estate broker‑in‑charge or property manager‑in‑charge authorized under the laws of this State to engage in the business of property management services on behalf of property owners.

 (6) “Rental or charges” means the total price paid by the guest for an accommodation, including any accommodations fee, charges for use or rental of personal property and services furnished in the room or accommodation, and any other fees or charges.

 (B)(1) Except as provided in subsection (D), an accommodations intermediary shall collect and remit the tax levied pursuant to Section 12‑36‑920, and any applicable local accommodations taxes or fees levied pursuant to Section 5‑7‑30, 6‑1‑520, or 6‑1‑630 for any transactions it facilitates.

 (2) An accommodations intermediary is not liable for the taxes for which a professional property management company is responsible for collecting and remitting due to its status as merchant of record pursuant to subsection (D).

 (C) In any accommodations transaction in which an accommodations intermediary facilitates the rental or provision of the accommodation, the accommodations intermediary shall separately state the amount of the taxes on the bill, invoice, or similar documentation and shall add the taxes to the room charge. Thereafter, such taxes are a debt from the customer to the accommodations intermediary.

 (D) In any accommodations transactions subject to the tax levied pursuant to Section 12‑36‑920, and that are facilitated through an accommodations intermediary, if an accommodations provider has contracted with or engaged a professional property management company to manage or oversee the rental of the property subject to the accommodations transaction, the professional property management company is the merchant of record for such transactions and is responsible for the collection and remittance of applicable taxes and fees levied pursuant to Sections 12‑36‑920, 5‑7‑30, 6‑1‑520, and 6‑1‑630. Any information and documentation pertaining to the location of the accommodations, the amount of agreed upon rental or charges, the payor, the form of payment, and the details of said form of payment such as credit card number, that is obtained by the accommodations intermediary must be provided to the merchant of record within one business day of receipt by the accommodations intermediary.

 (E) Every accommodations intermediary and accommodations provider annually shall submit a report in a form prescribed by the department that includes the physical address of each accommodation that was rented or furnished for more than fourteen days during the previous calendar year. The report must be treated as confidential.

 (F) This section does not apply to a hotel that collects and remits the tax levied pursuant to Section 12‑36‑920.

SECTION 2. Section 12‑36‑70 of the S.C. Code is amended to read:

 Section 12‑36‑70. “Retailer” and “seller” include every person:

 (1)(a) selling or auctioning tangible personal property whether owned by the person or others;

 (b) furnishing accommodations to transients for a consideration, except an individual furnishing accommodations of less than six sleeping rooms on the same premises, which is the individuals place of abode;

 (c) renting, leasing, or otherwise furnishing tangible personal property for a consideration;

 (d) operating a laundry, cleaning, dyeing, or pressing establishment for a consideration;

 (e) selling electric power or energy;

 (f) selling or furnishing the ways or means for the transmission of the voice or of messages between persons in this State for a consideration. A person engaged in the business of selling or furnishing the ways or means for the transmission of the voice or messages as used in this subitem (f) is not considered a processor or manufacturer;

 (2)(a) maintaining a place of business or qualifying to do business in this State; or

 (b) not maintaining an office or location in this State but soliciting business by direct or indirect representatives, manufacturers agents, distribution of catalogs, or other advertising matter or by any other means, and by reason thereof receives orders for tangible personal property or for storage, use, consumption, or distribution in this State.

 (3) operating as a marketplace facilitator, as defined in Section 12‑36‑71.

 (4) operating as an accommodations intermediary, as defined in Section 12‑36‑72.

 The department, when necessary for the efficient administration of this chapter, may treat any salesman, representative, trucker, peddler, or canvasser as the agent of the dealer, distributor, supervisor, employer, or other person under whom they operate or from whom they obtain the tangible personal property sold by them, regardless of whether they are making sales on their own behalf or on behalf of the dealer, distributor, supervisor, employer, or other person. The department may also treat the dealer, distributor, supervisor, employer, or other person as a retailer for purposes of this chapter.

SECTION 3.A. Section 12‑36‑920(E) of the S.C. Code is amended to read:

 (E) The taxes imposed by this section are imposed on every person engaged or continuing within this State in the business of furnishing accommodations to transients for consideration. Except as required by Section 12‑36‑72(B), the taxes imposed by this section must be collected and remitted by the person engaged or continuing within this State in the business of, or acting as merchant of record, as defined in Section 12‑36‑72, with respect to furnishing accommodations to transients for consideration.

B. Section 12‑36‑920 of the S.C. Code is amended by adding:

 (F) Annually, the department shall publish the applicable tax rate, fees, and surcharges imposed on accommodations by the State or any local governing body including, but not limited to, the taxes, fees, and surcharges imposed pursuant to Chapter 1, Title 6, and Chapter 7, Title 5. If a local governing body imposes a new tax, fee, or surcharge on accommodations, or increases the rate of any existing tax, fee, or surcharge on accommodations, the department shall notify each accommodations intermediary from which it has received remittances of the new tax, fee, or surcharge at least sixty days before the provisions of subsection (G) may be utilized.

 (G) The uniform provisions for the collection and enforcement of taxes assessed by the department pursuant to Chapter 54, Title 12 apply to an accommodations intermediary.

SECTION 4. Section 6‑1‑510(1) of the S.C. Code is amended to read:

 (1) “Local accommodations tax” means a tax on the gross proceeds derived from the rental or charges for accommodations furnished to transients as provided in Section 12‑36‑920(A) and which is imposed on every person engaged or continuing within the jurisdiction of the imposing local governmental body in the business of, or acting as merchant of record as defined in Section 12‑36‑72, furnishing accommodations to transients for consideration.

SECTION 5. Section 6‑1‑520 of the S.C. Code is amended by adding:

 (C) If a local governing body imposes the tax authorized by this section, it must notify the department and the State Treasurer through delivery of a certified copy of the ordinance adopted by the local governing body at least sixty days before the imposition takes effect.

SECTION 6. Section 6‑1‑570 of the S.C. Code is amended to read:

 Section 6‑1‑570. The tax provided for in this article must be collected and remitted to the local governing body on a monthly basis when the estimated amount of average tax is more than fifty dollars a month, on a quarterly basis when the estimated amount of average tax is twenty‑five dollars to fifty dollars a month, and on an annual basis when the estimated amount of average tax is less than twenty‑five dollars a month.

SECTION 7.A. Section 6‑1‑630(E) of the S.C. Code is amended to read:

 (E) The fee authorized by this article must be collected, remitted, and administered in the same manner as the tax imposed pursuant to Section 6‑1‑520. All proceeds from the beach preservation fee must be kept in a separate fund segregated from the governing body’s general fund. All interest generated by the beach preservation fee fund must be credited to the beach preservation fee fund.

B. Section 6‑1‑630 of the S.C. Code is amended by adding:

 (F) If the fee authorized by this article is imposed, the local governing body must notify the department and the State Treasurer through delivery of a certified copy of the ordinance adopted by the local governing body at least sixty days before the imposition takes effect.

SECTION 8. Section 5‑7‑30 of the S.C. Code is amended to read:

 Section 5‑7‑30. Each municipality of the State, in addition to the powers conferred to its specific form of government, may enact regulations, resolutions, and ordinances, not inconsistent with the Constitution and general law of this State, including the exercise of powers in relation to roads, streets, markets, law enforcement, health, and order in the municipality or respecting any subject which appears to it necessary and proper for the security, general welfare, and convenience of the municipality or for preserving health, peace, order, and good government in it, including the authority to levy and collect taxes on real and personal property and as otherwise authorized in this section, make assessments, and establish uniform service charges relating to them, provided that any taxes or uniform service charges imposed on the rental of accommodations including, but not limited to, taxes or surcharges imposed on the rental of any rooms, campground spaces, lodgings, or sleeping accommodations, must be collected and administered by the Department of Revenue in accordance with the tax imposed pursuant to Section 6‑1‑520; the authority to abate nuisances; the authority to provide police protection in contiguous municipalities and in unincorporated areas located not more than three miles from the municipal limits upon the request and agreement of the governing body of such contiguous municipality or the county, including agreement as to the boundaries of such police jurisdictional areas, in which case the municipal law enforcement officers shall have the full jurisdiction, authority, rights, privileges, and immunities, including coverage under the workers’ compensation law, which they have in the municipality, including the authority to make arrests, and to execute criminal process within the extended jurisdictional area; provided, however, that this shall not extend the effect of the laws of the municipality beyond its corporate boundaries; grant franchises for the use of public streets and make charges for them; grant franchises and make charges for the use of public beaches; engage in the recreation function; levy a business license tax on gross income, but a wholesaler delivering goods to retailers in a municipality is not subject to the business license tax unless he maintains within the corporate limits of the municipality a warehouse or mercantile establishment for the distribution of wholesale goods; and a business engaged in making loans secured by real estate is not subject to the business license tax unless it has premises located within the corporate limits of the municipality and no entity which is exempt from the license tax under another law nor a subsidiary or affiliate of an exempt entity is subject to the business license tax; and a business engaged in operating a professional sports team as defined in Section 12‑6‑3360(M)(17) is not subject to the business license tax; borrow in anticipation of taxes; and pledge revenues to be collected and the full faith and credit of the municipality against its note and conduct advisory referenda. The municipal governing body may fix fines and penalties for the violation of municipal ordinances and regulations not exceeding five hundred dollars or imprisonment not exceeding thirty days, or both. If the person or business taxed pays a business license tax to a county or to another municipality where the income is earned, the gross income for the purpose of computing the tax must be reduced by the amount of gross income taxed in the other county or municipality.

 For the purpose of providing and maintaining parking for the benefit of a downtown commercial area, a municipality may levy a surtax upon the business license of a person doing business in a designated area in an amount not to exceed fifty percent of the current yearly business license tax upon terms and conditions fixed by ordinance of the municipal council. The area must be designated by council only after a petition is submitted by not less than two‑thirds of the persons paying a business license tax in the area and who paid not less than one‑half of the total business license tax collected for the preceding calendar year requesting the designation of the area. The business within the designated area which is providing twenty‑five or more parking spaces for customer use is required to pay notno more than twenty‑five percent of a surtax levied pursuant to the provisions of this paragraph.

 If a local governing body imposes a tax authorized by this section, it must notify the Department of Revenue and the State Treasurer through delivery of a certified copy of the ordinance adopted by the local governing body at least sixty days before the imposition takes effect.

SECTION 9. This act takes effect upon approval by the Governor.

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