

Rodney D. Turner
Mayor

81 Groce Road
Lyman, SC 29365

(864) 439-3453
(864) 439-9050 FAX

February 8, 2010

Dear Business Owner:

On December 7, 2009, Lyman Town Council passed an Ordinance establishing a two percent (2%) local hospitality tax on prepared meals and/or beverages. The taxes are imposed on gross proceeds. The ordinance states that all affected businesses shall be responsible for collecting local hospitality taxes **beginning, March 1, 2010.**

A *Local Hospitality Tax Guide* is included in this packet. This guide provides helpful information about the local hospitality tax and includes forms that you will need to submit your taxes. A *Business Registration Form* and a *Local Hospitality Tax Reporting and Computation Form* is included in the guide. The *Local Hospitality Tax Reporting and Computation Form* must be completed when you submit the hospitality taxes collected in your establishment.

All payments for hospitality taxes are **due by the 20th of the following month.** For example, all hospitality taxes collected as of March 31, 2010 are due no later than April 20, 2010. A five percent (5%) penalty applies if taxes are paid or the U. S. Post Office postmarks the remittance after the 20th. The remittance must be accompanied by the Town of Lyman's Local Hospitality Tax Computation Form. The computation form must be submitted every month, even if the amount of tax your business collects is zero.

A *Business Change Notification Form* is included in your Local Hospitality Tax Guide to report future address changes, closure of a business, or a change in ownership. Changes must be registered in the Town of Lyman Town Hall within five (5) days prior to its legal transfer or closure. The form can be faxed to us at (864) 439-9050.

If your establishment does not sell prepared meals and/or beverages intended for immediate consumption, please sign the enclosed *Local Hospitality Tax Exemption Form* and fax it to 864-439-9050 and we will update our database.

Should you have any questions regarding the Local Hospitality Tax or require further information please feel free to visit our website at www.lymansc.gov or phone 864-485-0402, and I will be glad to assist you.

Sincerely,

Dennis P. Drozdak, Clerk/Treasurer

Council:

Daisy Carter
Mayor Pro Tem

Charles D. Clayton
Judy H. Cramer
C. Phil McIntyre
Tony Wyatt

Dennis P. Drozdak
Clerk/Treasurer



Town of Lyman

ITEMS SUBJECT TO or EXEMPT FROM TAX

What items are taxed?

All food and/or beverage sales prepared or modified for immediate consumption. The following are examples of taxable items:

- Produce (Vegetables, Fruit) cut, sliced, cored, etc., or prepared/modified on site (Ex: Vegetable and Fruit Trays)
- Meats and cheeses cut, sliced, or prepared on site (Ex: Meat and Cheese Trays)
- Salads made on site
- Sandwiches/subs prepared on site
- Coffee brewed on site
- Popcorn made on site
- Bakery items cooked/baked on site
- Ice cream prepared on site
- Seafood steamed/cooked on site
- Grilled hamburgers and hot dogs, pizza, nachos, chicken, etc.
- Packaged dinners cooked on site (Thanksgiving Dinner, etc.)
- Fountain drinks
- Any food prepared, modified or cooked on site by an employee/sub-contractor
- Any prepared foods or meals that are subject to South Carolina Sales Tax
- Any served beverage, inclusive of beer, wine, and liquor
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*This list serves as an example only and is not an all-inclusive list of taxable items.

What items are exempt from the tax?

- Consolidating fruit into a basket (Fruit baskets)
- Cold, canned or bottled drinks from a vending machine on site
- Prepackaged items (not prepared or modified on site) consolidated into a larger container to make one package (Gift Basket)
- Repackaged, ready-to-consume meats, cheeses, and deli salads
- Packaged dinners that are not cooked or modified on site
- Items cooked or baked off site with NO modifications on site
- Ready-to-eat prepackaged food that a customer re-heats on site
- Prepackaged **cans**, boxes, or jars of food
- Bags of chips, pretzels, nuts, candy or other prepackaged food items
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