

ORDINANCE NO.: 2011-093

Amending the 1998 Code of Ordinances of the City of Columbia, South Carolina,
Chapter 11, Licenses, Permits and Miscellaneous Business Regulations, Article II, Business and Professional
Licenses, Sec. 11-32 Definitions to add Boardinghouse and Roominghouse, and Charitable purpose, Sec. 11-34
License fee, Sec. 11-35 Registration of businesses; application for license;
Sec. 11-36 Deductions from gross income; exemptions; determination of classification;
Sec. 11-49 Classification rate schedules

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BE IT ORDAINED by the Mayor and Council this 20th day of December 2011, that the 1998 Code of Ordinances of The City of Columbia, South Carolina, Chapter 11, Licenses, Permits and Miscellaneous Business Regulations, Article II, Business and Professional Licenses, Sec. 11-32 Definitions to add Boardinghouse and Roominghouse, and Charitable purpose, Sec. 11-34 License fee, Sec. 11-35 Registration of businesses; application for license; Sec. 11-36 Deductions from gross income; exemptions; determination of classification; Sec. 11-49 Classification rate schedules, are amended to read as follows:

Sec. 11-32. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Boardinghouse and Roominghouse mean any dwelling, other than a hotel or motel, in which more than three persons who are not members of the owner's or operator's family are housed or lodged in rooms used or intended to be used for living and sleeping but not for cooking or eating purposes, for compensation, with or without meals being provided. Any dwelling in which such accommodations are offered in ten or more rooms shall be considered to be a hotel or motel.

Business means a calling, occupation, profession or activity engaged in with the object of gain, benefit or advantage, either directly or indirectly. A charitable organization shall be deemed a business unless the entire proceeds of its operation are devoted to charitable purposes.

Charitable Purpose means any purpose described in Section 501(c)(3) of the Internal Revenue Code, or any benevolent, philanthropic, patriotic, or eleemosynary purpose which does not result in personal gain to a sponsor, organizer, officer, director, trustee or person with ultimate control of the organization. A charitable organization shall be deemed a business subject to a license tax unless the entire net proceeds of its operation, after necessary expenses, are devoted to charitable purposes. Compensation in any form to a sponsor, organizer, officer, director, trustee or person with ultimate control of the organization shall not be deemed a necessary expense of operation.

Gross income means the total revenue of a business received or accrued for one calendar year collected or to be collected by a business within the city, excepting therefrom income from business done wholly outside of the city on which a license tax is paid to some other municipality or a county and fully reported to the city. The gross income for business license purposes shall conform to the total income reported to the Internal Revenue Service, as defined by section 61 of the Internal Revenue Code for income tax purposes, or the state insurance commission, without deductions. In the case of brokers or agents, gross income shall mean gross commissions retained.

Person means any individual, firm, partnership, cooperative nonprofit membership, corporation, joint venture, professional association, estate, trust, business trust, receiver, syndicate, holding company, or other group or combination acting as a unit, in the singular or plural, and the agent or employee having charge or control of a business in the absence of the principals.

Sec. 11-34. License Fee.

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(a) The required license fee shall be paid for each business subject to this article, according to the applicable rate classification, on or before April 15 in each year, except for businesses physically located outside the city limits which are required to make applications for business licenses prior to operation within the city limits. A separate license shall be required for each place of business and for each classification of business conducted at one place. If gross income cannot be separated for classifications at one location, the license fee shall be computed on the combined gross income for the classification requiring the highest rate. A license fee based on gross income shall be computed on the gross income for the preceding calendar or fiscal year, and on a 12-month projected income based on the monthly average for a business in operation for less than one year. The fee for a new business shall be computed on the estimated probable gross income stated in the license application for the balance of the calendar year. No license fee shall be prorated.

(b) Unless otherwise specifically provided, all minimum fees and rates shall be multiplied by 200 percent for nonresidents and itinerants having no fixed principal place of business within the city.

Sec. 11-35. Registration of businesses; application for license.

The owner, agent or legal representative of every business subject to this article, whether listed in the classification index or not, shall register the business and make application for a business license on or before April 15 of each year, except for businesses physically located outside the city limits which are required to make applications for business licenses prior to operation within the city limits. A license for a bar must be issued in the name of the individual who has been issued a State Alcohol License and will have actual control and management of the business.

A new business shall be required to have a business license and obtain all necessary approvals and clearances as required by city ordinances prior to operation within the city.

Application shall be on a form provided by the license inspector, which shall contain the social security number and/or the federal employer's identification number, the business name as reported on the South Carolina income tax return, and all information about the applicant and the business deemed necessary to carry out the purposes of this article by the license inspector. The applicant shall certify under oath that the information reported or estimated is true, that the gross income is accurately reported or estimated for a new business, without any unauthorized deductions, and that all assessments and personal property taxes due and payable to the city have been paid. Insurance agents employed by more than one company shall be licensed as brokers.

Business License renewal applicants within the municipal limits shall be required to submit copies of portions of state and federal income tax returns reflecting gross income figures. Business License renewal applicants within the municipal limits shall be required to submit proof of payment of any business-related fees, assessments, and/or personal property taxes, including any late fees or penalties.

Sec. 11-36. Deductions from gross income; exemptions; determination of classification.

(a) No deductions from gross income shall be made by businesses subject to this article except for income from business done wholly outside of the city on which a license tax is paid to some other municipality or a county, or income which cannot be taxed pursuant to state law. The applicant for a license under this article shall have the burden to establish the right to a deduction by satisfactory records and proof.

(b) No person shall be exempt from the requirements of this article by reason of the lack of an established place of business within the city, unless exempted by state or federal law. The license inspector shall determine the appropriate classification for each business. No person shall be exempt from this article by reason of the payment of any other tax, unless exempted by state law, and no person shall be relieved of the liability for the payment of any other tax by reason of the application of this article.

(c) Charitable organizations which have exemptions from state and federal income taxes shall be exempt from a business license tax only in cases where the sponsors, organizers, directors, trustees, or persons who exercise

ultimate control of the organization receive no part of the proceeds of operation, and all proceeds are devoted to charitable purposes as defined by this ordinance and by Section 501(c)(3) of the Internal Revenue Code. Payment of necessary costs of operation and wages to non-management employees will not disqualify a charitable organization from exemption.

Sec. 11-49. Classification rate schedules.

The license fee for each class of business shall be computed in accordance with the following:

| Code | SIC Code | Business | Rate |
|------|----------|--|---------------|
| A05 | | Amusement Machines, coin operated (except gambling) Music machines, juke boxes, kiddie rides, video games, pool tables, pin tables, with levers and other amusement machines without free play feature licensed by SC Department of Revenue pursuant to SC Code §12-21-2720(A)(1) and (A)(2) [Type 1 and Type II] Operator of machine \$12.50 per machine, PLUS \$12.50 business license for operation of all machines (Not on gross income) [SC Code §12-21-2746] | |
| 019 | 7021 | BOARDINGHOUSES AND ROOMINGHOUSES: On gross receipts not exceeding \$5,000.00 On each additional \$1,000.00 or fraction thereof | 12.10 1.20 |
| 022 | 7251 | BOOTBLACKS On gross receipts not exceeding \$5,000.00 On each additional \$1,000.00 or fraction thereof | 5.50 1.20 |
| | 1500 | CONSTRUCTION CONTRACTORS: See Contractors. CONTRACTORS: 5. Before any electrical or plumbing contractor shall be issued a business license, he must obtain a master's license in his respective field. Subcontractors furnishing labor for and/or supervision over construction or providing any type of contractual service shall be held liable for payment of the license fees set forth in this section on the same basis as are prime contractors. Where a permit is required to be issued by the inspection division before work can be undertaken, no such permit shall be issued unless the contractor seeking the permit has filed an application for a business license with the city and paid a license fee in accordance with the provisions of this article. 6. It shall be necessary on each job for the contractor to do the following: (a) Post in plain view a sign identifying the contractor with the job; and (b) If applicable, provide proper decals for each and every vehicle at the job site as provided in this section. 7. It shall be required of each electrical, plumbing, mechanical, general or service contractor who shall individually or through an entity construct, service or repair buildings of any type within the city limits to purchase two decals for each and every vehicle used at a job site at a cost as set forth in section 11-72. Decals will be issued annually in conjunction with the renewal of business licenses and may be purchased throughout the year as circumstances may dictate. | |
| 046 | 7393 | DETECTIVE AGENCIES: On gross receipts not exceeding \$10,000.00 On each additional \$1,000.00 or fraction thereof | 30.25 2.40 |

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| 049 | 7216 | DRY CLEANING AND LAUNDERING: On gross receipts not exceeding \$10,000.00 On each additional \$1,000.00 or fraction thereof | 30.25 1.20 |
| 051 | 7361 | EMPLOYMENT AGENCIES: On gross receipts not exceeding \$10,000.00 On each additional \$1,000.00 or fraction thereof | 60.50 1.20 |
| 058 | 5261 | CHRISTMAS TREES, PUMPKIN STANDS & FIREWORKS (SEASONAL): must comply with section 17-258 (7) (i) On gross receipts not exceeding \$10,000 On each additional \$1,000.00 or fraction thereof | 24.20 1.20 |
| H63 | 6711 | HOLDING, INVESTMENT AND DEVELOPMENT COMPANIES (proprietorships with five or more units, joint ventures, partnerships, trusts and corporations). A unit is a single-family quarters or office space. On gross receipts not exceeding \$250,000.00 On each additional \$1,000.00 or fraction thereof (rental property located inside city limits) On each additional \$1,000.00 or fraction thereof (rental property located outside the city limits) | 11.00 1.65 .28 |
| H65 | 4789 | HORSE-DRAWN CARRIAGES: On gross receipts not exceeding \$10,000.00 On each additional \$1,000.00 or fraction thereof ICE CREAM VENDORS – PEDDLER RATE & REQUIREMENTS APPLY | 121.00 1.20 |
| 077 | | MERCHANTS, RETAIL: | |
| | 5531 | Automobile accessory stores | |
| | 5999 | Awning and tent makers and dealers | |
| | 5462 | Bakeries, retail | |
| | 5521 | Battery repairs and sales, exclusive of filling stations | |
| | 5941 | Bicycle agents and repair shops | |
| | 5211 | Building materials, retail | |
| | 5999 | Business machines, safes, cash registers and related sales | |
| | 5441 | Candy dealers, retail | |
| | 5999 | Cash register dealers | |
| | 5982 | Coal dealers and vendors, retail | |
| | 5441 | Confectioners, retail | |
| | 5651 | Clothing, retail | |
| | 5462 | Doughnut shops, retail | |
| | 5912 | Drugstores and apothecaries | |
| | 5651 | Dry goods, retail | |
| | 5411 | Grocery stores | |
| | 5451 | Ice cream dealers, retail | |
| | 7399 | Interior decorators | |
| | 5944 | Jewelry stores | |
| | 5211 | Lumberyards, retail | |
| | 5399 | Military stores | |
| | 5994 | Newsstands | |

- 5399 Novelties, all types
- 5261 Nurseries, plants and flowers, retail
- 5999 Pet shops
- 7395 Photograph and picture developers, not licensed as photographers
- 5499 Poultry and produce dealers, retail
- 5211 Sashes, blinds, metal awnings or other related products
- 5722 Sewing machine dealers
- 5812 Soda fountains
- 5699 Tailors
- 5531 Tire dealers, retreading and recapping
- Other related types of retail sales not listed in this section
- On gross receipts not exceeding \$10,000.00
- On each additional \$1,000.00 or fraction thereof

077E In lieu of the license described in this subsection, a participant in a single annual event of not more than ten days in length may be issued a permit at the rate of \$10.00 on gross receipts of not more than \$10,000.00 and \$1.20 on each additional \$1,000.00 of gross receipts or fraction thereof. This permit will be valid only for the time period specified thereon and can be obtained for one event annually. Inspections prior to the issuance of a permit will be waived, but inspections may be conducted during the event.

082 NEWSPAPERS, daily or daily except Sunday, weekly or biweekly, morning or afternoon:
On gross receipts not exceeding \$20,000.00 60.50
On each additional \$1,000.00 or fraction thereof 1.20

095 5963 PEDDLERS, all classes not otherwise provided for in this section:
On gross receipts not exceeding \$5,000.00 121.00
On each additional \$1,000.00 or fraction thereof 3.00
MUST COMPLY WITH SECTION 17-258

H65 4789 PEDICABS
On gross receipts not exceeding \$10,000.00 121.00
On each additional \$1,000.00 or fraction thereof 1.20

A96 7221 PHOTOGRAPHERS: Itinerants:
On gross receipts not exceeding \$10,000.00 60.50
On each additional \$1,000.00 or fraction thereof 2.40
An itinerant photographer within the meaning of this subsection is defined as any person who is not a bona fide resident of the city.

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ENTERTAINMENT: Establishments/facilities primarily engaged in organizing, promoting, and/or managing live performing arts productions, sports events, and similar events, such as concerts and festivals, held in arenas, stadiums, auditoriums or other related facilities that they manage and operate. An individual promoter/performer will not be required to obtain a separate business license if the establishment/facility has obtained one as described in this classification. 100.00
On gross income not exceeding \$50,000.00

On each additional \$1,000.00 or fraction thereof 2.00
The establishment/facility will be required to report and pay on a monthly basis the gross generated from ticket sales (less the admission tax paid to the state), gross retail merchandise and any other gross related to the performance/event on a form created and supplied by the license division. At year end, when all monthly payments have been received and processed, one business license will be issued to the facility.

Double rate does not apply

019 7021 ROOMINGHOUSES AND BOARDINGHOUSES: 12.10
On gross receipts not exceeding \$5,000.00
On each additional \$1,000.00 or fraction thereof 1.20

TELEPHONE COMPANIES See Section 11-50 for rates and franchise information

115 6516 TRAILER PARKS: 60.50
On gross receipts exceeding \$5,000.00
On each additional \$1,000.00 or fraction thereof 1.20

120 5982 WOOD DEALERS: PEDDLER RATE & REQUIREMENTS APPLY

This ordinance shall be effective as of January 1, 2012.

Requested by:

Business License Administrator


MAYOR

Approved by:

City Manager

Approved as to form:

City Attorney

ATTEST:

City Clerk

Introduced:

Final Reading: