**A** **BILL**

TO AMEND SECTION 6‑1‑510, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE LOCAL ACCOMMODATIONS TAX, SO AS TO CLARIFY THE DEFINITION OF THE LOCAL ACCOMMODATIONS TAX; BY ADDING SECTION 6‑1‑580 SO AS TO PROVIDE THAT A THIRD PARTY WHO ACCEPTS AN ACCOMMODATION CHARGE IS LIABLE FOR ACCOMMODATIONS TAX; BY ADDING SECTION 6‑1‑590 SO AS TO PROVIDE THAT THE LOCAL ACCOMMODATIONS TAX DOES NOT APPLY TO CERTAIN RESIDENTIAL REAL PROPERTY; TO AMEND SECTION 12‑36‑920, RELATING TO THE TAX ON ACCOMMODATIONS FOR TRANSIENTS, SO AS TO CLARIFY WHICH PARTY IS RESPONSIBLE FOR THE ACCOMMODATIONS TAX, AND TO PROVIDE THAT A THIRD PARTY WHO ACCEPTS AN ACCOMMODATION CHARGE IS LIABLE FOR ACCOMMODATIONS TAX.

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

SECTION 1. Section 6‑1‑510(1) of the 1976 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 furnishing accommodations to transients for consideration. A person is engaged or continuing in the business of furnishing accommodations within the jurisdiction if it directly or indirectly provides accommodations or reservations for accommodations located on properties within the jurisdiction to transients for consideration, regardless of where the person is physically located. This includes, but is not limited to, a hotel, a rental agent, an online travel company, or a short‑term rental listing service.”

SECTION 2. Article 5, Chapter 1, Title 6 of the 1976 Code is amended by adding:

“Section 6‑1‑580. In the case where a third party including, but not limited to, a rental agent, an online travel company, or a short‑term rental listing service, makes the accommodation reservation and accepts the accommodation charge, the third party is liable for the taxes imposed or administered by this article and relieves the provider of the accommodation from liability for those taxes. However, nothing in this article relieves the provider from liability for tax due on any charges made by the provider that are in addition to the accommodation charge. For purposes of this section ‘accommodation charge’ means the sales price of or gross receipts derived from an accommodation, excluding sales and use tax and local accommodations tax.

Section 6‑1‑590. The local accommodations tax does not apply to any residential real property lawfully assessed for property tax purposes pursuant to Section 12‑43‑220(C) when all rental income on the property is not included in gross income for federal income tax purposes pursuant to 26 U.S.C. 280A(g).”

SECTION 3. Section 12‑36‑920(E) of the 1976 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. A person is engaged or continuing in the business of furnishing accommodations within the State if it directly or indirectly provides accommodations or reservations for accommodations located on properties within the State to transients for consideration, regardless of where the person is physically located. This includes, but is not limited to, a hotel, a rental agent, an online travel company, or a short‑term rental listing service.”

SECTION 4. Section 12‑36‑920 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

“( ) In the case where a third party including, but not limited to, a rental agent, an online travel company, or a short‑term rental listing service, makes the accommodation reservation and accepts the accommodation charge, the third party is liable for the taxes imposed or administered by this section and relieves the provider of the accommodation from liability for those taxes. However, nothing in this section relieves the provider from liability for tax due on any charges made by the provider that are in addition to the accommodation charge. For purposes of this section ‘accommodation charge’ means the sales price of or gross receipts derived from an accommodation, excluding sales and use tax and local accommodation tax.”

SECTION 5. This act is effective on the first day of the first month thirty days after the approval of the Governor.

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