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COMMITTEE REPORT

March 11, 2009

**S. 332**

Introduced by Senator Leventis

S. Printed 3/11/09--S.

Read the first time January 28, 2009.

**THE COMMITTEE ON FINANCE**

To whom was referred a Bill (S. 332) to amend Sections 6‑1‑530 and 6‑1‑730, both as amended, Code of Laws of South Carolina, 1976, relating to uses allowed for the revenue, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HUGH K. LEATHERMAN, SR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill would is not expected to impact general fund revenue in FY2009-10.

## Explanation

This bill would amend Sections 6-1-530 and 6-1-730 to allow counties that collect less than $900,000 in state accommodation taxes to increase tourism-related expenditures from twenty percent to fifty percent of the revenues collected in the previous fiscal year from the local accommodations taxes and the local hospitality taxes. According to the Department of Revenue, six counties collected more than $900,000 in state accommodations taxes in FY2007-08. These include Beaufort, Charleston, Georgetown, Greenville, Horry, and Richland counties. The remaining forty counties collected less than $900,000 in state accommodations taxes in FY2007-08. The Office of Research and Statistics reports in the “Local Government Finance Report” that counties and municipalities collected $43,014,371 from the local accommodations tax and $127,097,606 from the local hospitality tax in FY2006-07. This bill would allow counties and municipalities to expend up to fifty percent, or $85,055,988, on local tourism-related projects in their communities. Because this bill would allow local authorities to decide how to allocate locally-generated tax revenue, it is not expected to impact state general fund revenue in FY2009-10.

*Approved By:*

William C. Gillespie

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND SECTIONS 6‑1‑530 AND 6‑1‑730, BOTH AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO USES ALLOWED FOR THE REVENUE OF THE LOCAL ACCOMMODATIONS AND LOCAL HOSPITALITY TAX, SO AS TO INCREASE FROM TWENTY TO FIFTY PERCENT, IN COUNTIES IN WHICH LESS THAN NINE HUNDRED THOUSAND DOLLARS IN STATE ACCOMMODATIONS TAX IS COLLECTED ANNUALLY, THE AMOUNT OF THE REVENUE OF THE LOCAL TAXES THAT MAY BE USED FOR OPERATIONS AND MAINTENANCE.

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

SECTION 1. Section 6‑1‑530(B)(2) of the 1976 Code, as last amended by Act 314 of 2006, is further amended to read:

“(2) In a county in which less than nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12‑36‑920, an amount not to exceed ~~twenty~~ fifty percent of the revenue in the preceding fiscal year of the local accommodations tax authorized pursuant to this article may be used for the additional purposes provided in item (1) of this subsection.”

SECTION 2. Section 6‑1‑730(B)(2) of the 1976 Code, as last amended by Act 314 of 2006, is further amended to read:

“(2) In a county in which less than nine hundred thousand dollars in accommodations taxes is collected annually pursuant to Section 12‑36‑920, an amount not to exceed ~~twenty~~ fifty percent of the revenue in the preceding fiscal year of the local hospitality tax authorized pursuant to this article may be used for the additional purposes provided in item (1) of this subsection.”

SECTION 3. This act takes effect upon approval by the Governor.

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