

## Do I have to display my business license?

Yes, the license should be displayed in a conspicuous place in the business establishment. A transient or non-resident business should carry the license upon his person or in a vehicle used in the business readily available for inspection by any authorized agent of the City. For companies with multiple vehicles, like contractors, it is recommended that each vehicle contain a copy of the license.

## Are there any other business taxes required in the City?



Yes, the City has a 2% Hospitality Tax that is required for businesses selling food and beverages

prepared for on-premises consumption. The tax is due on the 20<sup>th</sup> of each month.

The City also has a 3% Accommodations Tax that is required for hotels, motels and other businesses providing accommodations to transients for consideration. This tax is also due on the 20<sup>th</sup> of each month.



Visit <http://www.cityofrockhill.com/departments/finance/more/finance/business-tax-forms> for tax reporting forms.

The SC Dept. of Revenue also requires an Accommodations Tax. For more information visit [www.sctax.org](http://www.sctax.org) or [www.scbos.sc.gov](http://www.scbos.sc.gov).

## Where do I go to apply for a license?

New businesses must obtain a business license prior to beginning operation. New businesses with a physical location inside the City limits should also obtain zoning and building compliance approval from the Planning and Development Department. The Open for Business Program in the Planning Dept. assists new businesses in obtaining the required inspections and getting a business license and setting up a utility account.

### Planning & Development Dept.

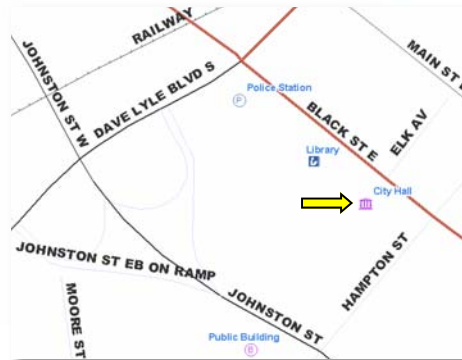
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[www.cityofrockhill.com/openforbusiness](http://www.cityofrockhill.com/openforbusiness)



# Business License

## Frequently Asked Questions



## Who needs a business license?

Every person engaged or intending to engage in any calling, business, occupation or profession in whole or in part within the City limits of Rock Hill, is required to pay an annual license fee for the privilege of doing business and obtain a business license. "Business" is defined as a calling, occupation, profession or activity engaged in with the object of gain, benefit or advantage, either directly or indirectly.



## What is a business license?

A business license fee is an excise tax levied on the privilege of doing business. It is a method of requiring a business or occupation to contribute its share in support of the government and to regulate business. It is not a sales or income tax, although it is measured by gross income.

## What is "gross income" or "gross receipts"?

"Gross income" means the total income of a business, received or accrued, for one calendar year collected or to be collected from business done within the City, subtracting income from business done wholly outside of the City on which a license tax is paid to some other city or a county. Gross income as defined by ordinance to mean the total received from the business operation without deductions of goods, overhead or salaries. It



should conform to the gross figure reported on the business federal income tax return defined by the IRS Code Section 61 (a).

- Gross income for brokers or agents means gross commissions received or retained, unless otherwise specified. Gross income for insurance companies means gross premiums collected.
- Gross income for business license tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds which are the property of a third party. The value of bartered goods or trade-in merchandise shall be included in gross income.

The gross income for business license purposes may be verified by inspection of returns and reports filed with the Internal Revenue Service, the South Carolina Department of Revenue, the South Carolina Insurance Commission, or other government agency.

Contractors based outside the city limits of Rock Hill may obtain a license per job and will need to provide a copy of their contract for the job along with the business license application.

New businesses should estimate their probable gross income.

## Does a business license expire?

Yes, business licenses expire December 31<sup>st</sup> of each year. You will have until April 30 to renew your license the following year to avoid a 5% late fee per month after the due date. Some businesses in Rate Class 8 may have a different due date. Renewals submitted on time by April 30 are eligible for a 10% discount.



## Are any businesses exempt from obtaining a business license?

Yes, some businesses are exempt from business license requirements under State and Federal law or have limitations on the amount or method of computing the tax. Please contact the Business License office at 803-329-5590 for more information about exemptions.

## Do I need a separate license for each location and for each type of business activity?

Yes, a separate license is required for each place of business and for each classification. The current ordinance states that if the gross income cannot be separate for classifications at one location, the license fee shall be computed on the combined gross income for the classification requiring the highest rate.

## How do I calculate my business license fee?

The first step is to determine what rate class your business falls into. Use the **Rate Class Index** to determine your rate class. Then use the **Business License Calculator** to determine your fee. If you are a rate class 8 business, contact the Business License office at 803-329-5590 to determine your license fee. You can also view the business license rates in the **City Business License Ordinance**. New businesses are eligible for a 10% discount. Renewals submitted by April 30 are also eligible for the 10% discount. Visit our website at [www.cityofrockhill.com/openforbusiness](http://www.cityofrockhill.com/openforbusiness) to access the tools listed above.

