The information provided here is for informational and educational purposes and current as of the date of publication. The information is not a substitute for legal advice and does not necessarily reflect the opinion or policy position of the Municipal Association of South Carolina. Consult your attorney for advice concerning specific situations.







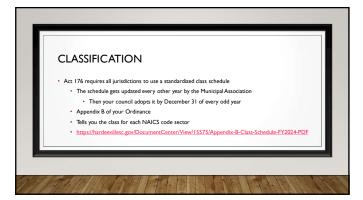
The type of industry for	their business activity
Construction	Accommodation
Retail	Healthcare
Food Service	Convenience Store
In City OR Out of City	HH
Out of City rates are of	doubled
	ned in the local ordinance

CLASSIFICATION TOOLS I. NAICS-North American Industry Classification System • Codes developed for use by Federal Statistical Agencies for the collection, analysis and publication of statistical date related to the US Economy • https://www.census.gov/naics/ • The company selects the code that best depicts its primary business activity in your jurisdiction • The US Census Bureau is the authority

CLASSIFICATION TOOLS 2. The business license application • https://hardeevillesc.gov/DocumentCenter/View/15572/B-1-New-Business-License-2024-PDF

CLASSIFICATION TOOLS 3. Google the industry or name of the company • Ex. What is the NAICS code for Tractor Supply Google naics code for tractor supply All Stropping Videos Forums News Video | Mode Online Office of Strong Code (Code (

CLASSIFICATION-WHAT IF'S - They don't provide their NAICS code - They don't know their code - The NAICS code they provide doesn't adequately reflect the specific activity in your jurisdiction - They have more than one activity



CLASSIFICATION • Appendix A of your ordinance • Tells you the rate for each class • Council sets and approves the rates by ordinance • Updated whenever your jurisdiction wants to change rates · Cannot use two rate schedules in the same license year • Must be consistent and fair • https://hardeevillesc.gov/DocumentCenter/View/12665/Appendix-A-Rates-Quick-



GROSS INCOME -WHAT IS THE MEANING?

• Rate Schedule

Reference-FY2022-PDF

- The Business License Handbook states it is "gross receipts or gross revenue of a business, received or accrued for one calendar year".
- It is NOT the number after deductions, contrary to what some businesses will argue. This is considered "net" receipts.
- It should be called gross receipts; gross income confuses the customer and makes them think they are paying an income tax.

Gross Income - What is the meaning?

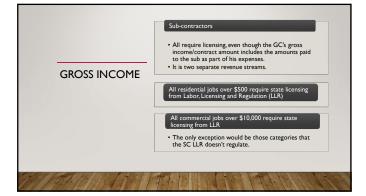
- For some it is called gross commissions, gross sales, etc.
 - This depends on the industry
- "My problem is reconciling my gross habits with my net income" Errol Flynn

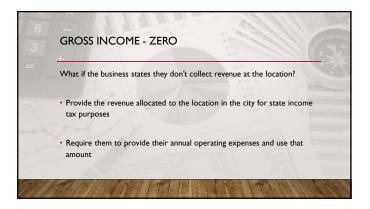
• Manufacturers - In Jurisdiction

- The company must show a manufacturing NAICS code on their federal tax return.
- They can choose the lesser of gross
 - Income collected from location
 - Income allocated and apportioned from location for purposes of state income taxes
 - Or the amount of expenses attributable to the location as a cost center
- They cannot choose \$0. You still have the authority to require documentation as proof of the option they select.

GROSS INCOME

	Real Estate Brokers License tax is based on gross commissions from
GROSS INCOME	the sale, not the sale amount The broker-in-charge should pay on all gross commissions for the agency
	Contractors
	Every contractor is required to have a business license for all construction/installation
	Contractor performing a one-time repair
	Does it meet the "test for doing business" Does it require a building permit





The Dorchester County Ordinance states the following: "The gross receipts or gross revenue of a business, received or accused, for one calendar or faced year collected or to be collected from business done within the County, if the kennee has a domindle within the County, business done within the County shall include all gross receipts a domind the county shall include all gross receipts or revenue received by such kennees, left he kicensee does not have a domindle within the County, business done within the County in the kicensee goay a business kennes to an other municipality or County must be reduced by the amount of revenues or received or accusted must be county and fully reported to the County, Gross income for the purpose of computing the tax within the County and fully reported to the County, Gross income for business kennes to accuse that on cludded toxes collected for a government entire, secure funds, of funds there municipally or County must be reduced by the amount of revenues or receipt stated in the other municipality or County and fully reported to the County, Gross income for business kennes tox purposes shall not included teases collected for a government entire, secure funds, of funds their unrechandes thall be included in gross income. The gross receipts and gross revenues for this misses kennes pure may be verified by impection of return and reports field with the internal Revenue Service, the South Carolina Department of Revenue, the South Carolina Department of Insurance, or other government agencies."

ALLOWED DEDUCTIONS

- Any revenue paid to the government
 - Sales tax
 - Gas excise tax paid by consumer
 - Lottery sales
 - Gross income reported and paid to other jurisdictions
- ${}^{\bullet}$ Pass-thru to $3^{\rm rd}$ parties- royalty revenue from a licensed product

	Not Allowed					
DEDUCTIONS	Gasoline Sales	Cigarette tax	Lottery Commissions	Gas tax paid to the distributor	Any other expenses *Sub-contractors *Operating exp. *Cost of goods sold	
	It is the burden of the business to prove entitlement					
	#4.15		4114	1. /2/	1.1.1.1	





