

## MEMORANDUM

TO: Municipalities/Counties Subject to Reporting Requirements for Accommodations Tax

FROM: Tourism Expenditure Review Committee

DATE: August 24, 2021

SUBJECT: Revised Reporting Form and Requirements

At its meeting held August 9, 2021, the Tourism Expenditure Review Committee (“TERC”) adopted a revised reporting form for use by municipalities and counties required to submit annual reports to TERC under S. C. Code §6-4-25. This form, copy attached, replaces the form previously used.

Some of the revisions are made to better organize the previously required information and reflect that the certification applies to all expenditures of accommodations tax revenues.

Other revisions add reporting requirements, including a requirement that documentation be provided supporting the designation of a non-profit organization under S.C. Code §6-4-10(3) that engages in the “advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity.” These organizations are the recipients of accommodations tax revenues generally referred to as the “30 percent funds.” The documentation required to be provided includes the annual proposed budget for such organization, which needs to be reviewed by the local accommodations tax advisory committee and approved by the municipal or county council, and the accounting submitted to the municipal or county council at the end of the fiscal year under this code section. It will also include any other documentation provided to a council by a designated organization that demonstrates that it has, or can develop, “an effective tourism promotion program.” An example of such a document would be a marketing plan adopted by the designated organization.

The South Carolina Supreme Court, in its opinion in *DomainsNewMedia.com LLC vs. Hilton Head Island-Bluffton Chamber of Commerce*, Opinion Number 27803 issued May 23, 2018, has emphasized the importance of the statutory provisions governing review of expenditures of accommodations tax (specifically including those made from the 30 percent funds) at both the local and state level. These revised reporting requirements are consistent with that emphasis.

Should you have any questions about the revised form and reporting requirements, you can contact Damita Holcomb at [Damita.holcomb@dor.sc.gov](mailto:Damita.holcomb@dor.sc.gov) or by calling 843-992-7232.