

## Frequently Asked Questions about Business Licenses

### Who must have a business license?

Every person engaged or intending to engage in any calling, business, occupation or profession with the town limits of Surfside Beach is required to pay an annual license fee and obtain a business license. If your business is run out of your home or you maintain an office within the town limits, you are required to obtain a business license. All real estate rentals are considered a business. For information contact the **Business License Office at 843-913-6342.**

**When is the business license fee due?** They are due on June 1<sup>st</sup>. The Business License year starts June 1 and ends on May 31. Beginning June 1, penalties are assessed at the rate of 5% per month, with no cap, until all license fees and penalties are paid.

### What are license fees based on?

- Fees are based on the gross receipts of your business, as reported for federal tax purposes. Gross receipts are the total revenues generated by the business. State and Federal sales and excise taxes are not considered income and are exempt. No other exemptions or deductions are allowed. Gross receipts for business done outside the city limits for which a license tax is paid to another municipality are exempt.
- The license fee for a new business is based upon an estimation of gross receipts from the first day of operation until May 31. If you were in business for less than the full license year, the second year's license fee is based upon an estimation of gross receipts for the next full year (12 months). Thereafter, the reporting period for renewals is based upon the preceding calendar or fiscal year as reported on your federal tax return.

### Will one license cover my business?

A separate license is required for each place of business and for each classification of business conducted at one place.

### What happens if I operate without a license?

Violations are subject to a fine of up to \$500 or imprisonment. Each day of violation is considered a separate offense.

### Can the town refuse to license a business?

- Incomplete applications will be rejected and no license will be issued until it is complete. You must have a South Carolina Retail Sales License prior to issuance of Business License if you are operating a retail business.
- No license will be issued to a business that has failed to renew a prior year's business license until the delinquent license and penalty is paid in full.
- Contractors required to have a South Carolina License or Specialty Card must provide a copy of the current license/card.

### How do I obtain a business license?

The approval process depends on the classification of the type of business being conducted and the location of that business.

- For businesses located within the town limits, applications are subject to approvals by certain Town departments and other agencies. Approvals are required from Zoning, Public Safety, Sanitation, and State Health Department- if your business deals with food. (See "Approval Process" below)
- For businesses with offices outside the town limits, but doing work within the Town; the process can be completed upon receipt of a completed business license application and the appropriate fee. This may be done in person or by mail.

### How does the approval process work?

- The main issues under review by the Town include whether or not the location selected is appropriate under the Zoning Ordinance. All business locations must meet local Building Codes, Fire & Safety Codes, Zoning Codes, and Sign Ordinance. The appropriate inspectors must all sign the Code Clearance Form for it to be considered complete. **After all approvals have been received, the business license application is made.**

- Depending upon your business classification, you will need to obtain signatures indicating approval from some or all of the following Town or State agencies.
  - **Building and Zoning Department** - 913-6111 - located in Town Hall, M-F 8-5. Your business will require zoning approval. You may schedule a safety inspection for \$40. An inspector will sign the application at your location after successful completion of your inspection. This will allow the utility company to put the power in your name.
  - **Fire Department** - 913-6369 - located in Fire Station, M-F 8-5. Schedule a fire inspection. Fire Marshall will sign the code Clearance Form at your location after successful completion of your inspection. Business must be set up and stocked prior to inspection.
  - **Police Department** - 913-6368 - located in Public Safety Headquarters building, M-F 8-5. Will gather after hours-contact information as required. Additional requirements for restaurants serving beer & wine, and/or alcohol, tax companies, private detectives and security services.
  - **State Health Department - Food Protection** - 843-205-8931 located on Scipio Lane at the Horry County Complex. Inspection required for restaurants, grocery and conveniences stores or any other business involved in the preparation and sale of food.
  - **Zoning** - Final approval for signs must be obtained from Zoning prior to installation of any signs.
  - **Finance/Sanitation Department** - 913-6111 - located in Town Hall, M-F 8-5. This approval must be obtained before Sanitation billing can be set up.

#### **Where should the license be displayed?**

The Business License Ordinance requires that it is **conspicuously** displayed, and they are subject to inspection by any officer of the Town of Surfside Beach. Contractors must carry the license or a copy of the license upon their person or in their vehicle at all times.

#### **Miscellaneous**

- Business Licenses are **not transferable** with a change of ownership.
- License fees are not refundable and are not pro-rated.
- A business license is required for all property rentals. Hospitality fees and accommodation taxes are required for short-term rentals.
- Out-of-town businesses are charged only for the actual work performed inside the town limits of Surfside Beach. The license fee is based on the gross receipts of the actual work done in the Town for the prior full calendar year or if a new business, the estimate for the current business license year.
- Home occupations are regulated. (*Call the Zoning Department for more information.*)
- Amusement machines which are licensed pursuant to SC Code 12-21-2720 (A)(1), (A)(2), and (A)(3) require a town-issued sticker costing \$12.50 per machine in addition to any requirements of the SC Dept. of Revenue. Zoning approval and the stickers must be obtained from the Town **before** placing any new machines in any new locations.
- General contractors, mechanical contractors (HVAC, electrical & plumbing), residential builders, and residential specialty contractors must meet state standards and be licensed by the state.
- All solicitors must obtain a permit (\$25.00 fee) **and** purchase a town business license, both of which shall be prominently displayed during solicitation. Nonresident applicants, who do not have a place of business in town, must provide a copy of a business license issued by the State of South Carolina or the county from which the business is operated. (SC Code 1976, section 40-41-10.)
- If your business involves hospitality (food, amusement, admissions) or short-term accommodations, you will be subject to hospitality fees of 1% and accommodation taxes of ½%. Horry County also imposes a 1 ½% Hospitality Fee and the State of South Carolina has a 5% sales tax and a 2% SC Accommodation Tax.