



Standardization: New Law, New Action

License year, due date, definitions of income

- Standard due date of April 30, with May 1 start of license year. Penalties imposed after May 1
- Calculate tax on gross income for calendar year or business' fiscal year
- Standard definition of gross income
 - Clarifies gross income on which non-resident businesses pay the tax
 - Clarifies that gross income for agents does not include commissions that are divided with separate brokers or agents
 - Manufacturers may calculate tax for municipal locations on lesser of gross income, income allocated/apportioned to a location, expenses of location as cost center

Standard application/refund

- Standard business license application distributed by Revenue and Fiscal Affairs Office
- Refunds for overpayment to be requested by taxpayer by June 1

Standard class schedule

- Jurisdictions must adopt updated class schedule every odd year
- Class schedule recommended by Municipal Association of SC and certified by Revenue and Fiscal Affairs Office
- Flexibility to create sub-classes for economic development

Special agreements

- Protects current and future agreements with businesses on calculation of business license tax

Transition period

- Sets January 1, 2022, as effective date for law
- In the first year, prevents jurisdictions from realizing a revenue windfall that might result from transition to the new, mandated class schedule
- Allows city to gain new revenue in transition year resulting from growth in number of businesses

Online renewal payment portal

- Online business license renewal payment portal to be hosted and managed by Revenue and Fiscal Affairs Office
- RFA allowed to contract with software provider for portal services. Software provider may not retain any portion of tax payment
- Entire taxpayer payment goes directly to jurisdictions
- Only taxing jurisdictions may use portal information for auditing
- Jurisdictions must still accept payments in person, by phone or mail

Appeals process

- Standard appeals process for all jurisdictions
- Sets new appeals and response deadlines
- Appeals of decisions by taxing jurisdiction may be appealed to Administrative Law Court

Third parties

- Jurisdictions may continue to contract with third parties to identify non-compliant businesses
- Restricts third parties' contact with non-compliant businesses