



BUSINESS LICENSE INFORMATION HANDOUT

The business license fee is an important revenue source for the Town of Pelzer and is designed to provide revenue for the general operations of the Town such as public safety, recreation, public space maintenance, streetlights, Town street maintenance, brush and leaf removal, and administration.

Every person engaged or intending to engage in any calling, business, occupation, or profession, in whole or in part, within the limits of the Town of Pelzer, SC, is required to pay an annual license tax for the privilege of doing business and must obtain a business license (unless an exempt category by federal or state law; for example, federal or state credit unions, certain Public Service Commissions). The requirement to obtain a business license pertains to businesses located both inside and outside the Town limits when the business is provided inside the Town limits.

CONTACT INFORMATION:

Cheryl C. Bates: Business License Contact Information

Cheryl C. Bates
Town of Pelzer
103 Courtney Street
Pelzer, SC 29669
cbates@townofpelzer.us
864-947-6231 (option 1)

No online payment is currently available; however, card payments may be made at Town of Pelzer or by phone.

Business License Tax Standardization Act-Effective January 1, 2022

In September 2020, the SC General Assembly passed Act 176, SC Business License Tax Standardization Act.

- Act 176 streamlines the business license process, creating the same process for taxing jurisdictions across the state.
- As of **January 1, 2022**, all municipalities in South Carolina that levy a local business license tax must comply with the law.
- The standardization will require all property owners that rent their property to obtain a business license.

Details of the Business License Standardization Act

- The standard due date is April 30.
- The standard license year is May 1- April 30.
- The standard calculation for business license tax using gross income will be based on prior calendar year or business fiscal year.
- The standard application will be accepted as approved by SC Revenue and Fiscal Affairs Office.
- All businesses will be listed in the standard class schedule according to their **North American Industry Classification System (NAICS) code**.
- Standard class schedule will be used as adopted by SC Revenue and Fiscal Affairs Office.

New Business

A Business License form and associated fee must be completed and submitted before you open your business in the Town of Pelzer, SC. The fee for a new business shall be computed on the estimated probable gross income stated in the license application for the balance of the license year.

Renewal Instructions

A Business License form must be completed and submitted on or before April 30th of each year.

A Property Rental Business License form must be completed and submitted on or before April 30th of each year.

For the Town of Pelzer, business licenses are issued for a twelve-month period from May 1st through April 30th and the business license fee is based on the gross receipts of the business. If the business was not in operation for the full twelve months of the previous calendar year, estimate your twelve-month projected income based on the monthly average for the business. Business owners are responsible for updating their business license application/fee if their actual

gross receipts are more than 5% of the initial estimate. If your business files your tax returns to the Internal Revenue Service/SC Department of Revenue on a fiscal year basis that is different than a calendar year, you may use your fiscal year as the basis for your business license fee. If so, please make a note of this on the application.

Renewal forms are due April 30th of each year (late penalty is 5% per month and includes partial months).

Definition of Gross Receipts

Means the gross receipts or gross revenue of a business, received or accrued, for one calendar or fiscal year collected or to be collected from business done within the Municipality, excepting therefrom income earned outside of the Town on which a license tax is paid by the business to some other municipality or a county and fully reported to the Municipality. Gross income for agents means gross commissions received or retained unless otherwise specified. Gross income for insurance companies means gross premiums written. Gross income for business license tax purposes shall not include taxes collected for a governmental entity, escrow funds, or funds that are the property of a third party. The value of bartered goods or trade-in merchandise shall be included in gross income. The gross receipts or gross revenues 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 Department of Insurance, or other government agencies.

Contractors Outside the Town

Contractors whose business is located outside the Town but may do business inside the Town sometime during the license year may file for a business license before the construction job occurs rather than during the renewal period.

Verification of Gross Receipts

In an effort to ensure fairness to all businesses and the Town, the Town may verify gross receipts for business license purposes with the South Carolina Department of Revenue (sales & income tax) and/or the Internal Revenue Service and may require businesses to submit their federal and/or state tax forms for verification.

We thank you for being a part of the Town of Pelzer, SC.