

# HOSPITALITY TAX ADMINISTRATION

## HOSPITALITY TAX FUND

The collection of Spartanburg County's 2% Local Hospitality Tax on prepared meals and beverages started on January 1, 2008. Business owners collect and remit the tax directly to Spartanburg County. The Local Hospitality Tax provides a dedicated revenue source and an appropriate means of funding tourist-related infrastructure and capital improvement projects. It is Council's intent to increase tourism. The tax was adopted by ordinance as authorized in Article 7 of Chapter 1 of Title 6 of the Code of Laws of South Carolina, 1976, as amended, and is generally referred to as the "Local Hospitality Tax Act".

FUND NUMBER: 23	HOSPITALITY TAX FUND - ADMINISTRATION					
FUNDING SOURCE(S)	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 ACTUAL	FY 2010/11 BUDGET	FY 2011/12 BUDGET	INC/DEC FY 12 - 11
Hospitality Tax	30,600	174,910	169,928	201,337	<b>185,091</b>	(16,246)
<b>EXPENDITURES</b>						
Personnel Services Expenditures	22,255	78,917	73,602	85,553	<b>87,619</b>	2,065
Operating Expenditures	2,457	1,188	725	16,133	<b>13,773</b>	(2,360)
Capital Outlay	2,395	-796	0	0	<b>0</b>	0
Other Expenditures	3,494	95,601	95,601	99,651	<b>83,699</b>	(15,952)
<b>EXPENDITURE TOTAL</b>	<b>\$30,600</b>	<b>\$174,910</b>	<b>\$169,928</b>	<b>\$201,337</b>	<b>\$185,091</b>	(\$16,246)
<b>AUTHORIZED PERSONNEL</b>	0	2	2	2	2	0

### FY 2011/12 Budget Highlights & Initiatives

- Personnel Services Expenditures include a mandatory increase in the employer retirement contribution rate for the SC Retirement System.
- Operating Expenditures decrease slightly to reflect expense related to office supplies and due to the consolidation of ink and toner cartridge expenses into the Information Technology internal service fund.
- Indirect cost allocation expenses decrease \$15,952 from the prior fiscal year.

### Goal:

Sound fiscal management of Hospitality Tax Fund to ensure resources are directed to tourism related recreation and cultural activities in Spartanburg County

### Objectives:

- Provide adequate resources of operation and maintenance of Parks Commission tourism-based facilities
- Continue to maintain and update 5-year Hospitality Tax projections to ensure financial obligations will be met and an adequate fund balance maintained

# OUTSIDE AGENCIES HOSPITALITY TAX FUND

Two outside agencies that promote an enhanced quality of life to the citizens of Spartanburg County have traditionally received funding subsidies: The Arts Partnership of Greater Spartanburg and the Spartanburg County Regional Museum.

The Arts Partnership of Greater Spartanburg, a successor to the Arts Council of Spartanburg, was a result of a county-wide cultural plan advancing culture by promoting arts in education, and increased availability, awareness, and accessibility to the arts, sciences, and humanities throughout the County. Spartanburg County contributes to the operational budget of this agency.

The Spartanburg County Regional Museum fosters education of the citizens and visitors of Spartanburg County on the history of this region. The museum is managed by the Spartanburg County Historical Association. Spartanburg County contributes to the operational budget of this agency.

FUND NUMBER: 23	OUTSIDE AGENCIES					
FUNDING SOURCE(S)	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 ACTUAL	FY 2010/11 BUDGET	FY 2011/12 BUDGET	INC/DEC FY 12 - 11
Hospitality Tax	0	0	0	466,150	<b>566,150</b>	100,000
<b>EXPENDITURES</b>						
Spartanburg County Regional Museum	0	0	0	39,150	<b>39,150</b>	0
Arts Partnership	0	0	0	227,000	<b>227,000</b>	0
Spartanburg Tourism Corporation	0	0	0	200,000	<b>300,000</b>	100,000
<b>EXPENDITURE TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$466,150</b>	<b>\$566,150</b>	<b>\$100,000</b>
<b>AUTHORIZED PERSONNEL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## FY 2011/12 Budget Highlights & Initiatives

- Funding for the Spartanburg Tourism Corporation/Spartanburg Convention and Visitors Bureau increases by \$100,000.

# INTERFUND CHARGES

## HOSPITALITY TAX FUND

This department provides for indirect charges from Information Technologies associated with the Hospitality Tax Fund.

<b>DEPT NUMBER: 23-7500</b>	<b>INTERFUND CHARGES</b>					
<b>FUNDING SOURCE(S)</b>	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 ACTUAL	FY 2010/11 BUDGET	FY 2011/12 BUDGET	INC/DEC FY 12 - 11
Hospitality Tax Fund	0	0	0	0	<b>2,400</b>	2,400
<b>EXPENDITURES</b>						
Personnel Services Expenditures	0	0	0	0	<b>0</b>	0
Operating Expenditures	0	0	0	0	<b>0</b>	0
Capital Outlay	0	0	0	0	<b>0</b>	0
Other Expenditures	0	0	0	0	<b>2,400</b>	2,400
<b>EXPENDITURE TOTAL</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,400</b>	<b>\$2,400</b>
<b>AUTHORIZED PERSONNEL</b>	0	0	0	0	<b>0</b>	0

### **FY 2011/12 Budget Highlights & Initiatives**

- This is a newly created department in relation to the newly created internal service funds.

# HOSPITALITY TAX TRANSFERS

## HOSPITALITY TAX FUND

This department provides for the transfer of Hospitality Tax Resources to other funds in direct support of tourism related activities including capital projects, operational expenses and repayment of debt.

FUND NUMBER: 23	HOSPITALITY TAX FUND - TRANSFERS					
FUNDING SOURCE(S)	FY 2007/08 ACTUAL	FY 2008/09 ACTUAL	FY 2009/10 ACTUAL	FY 2010/11 BUDGET	FY 2011/12 BUDGET	INC/DEC FY 12 - 11
Hospitality Tax	0	1,600,000	322,263	3,298,513	<b>3,842,359</b>	543,846
<b>EXPENDITURES</b>						
Personnel Services Expenditures	0	0	0	0	<b>0</b>	0
Operating Expenditures	0	0	0	0	<b>0</b>	0
Capital Outlay	0	0	0	0	<b>0</b>	0
Other Expenditures	0	1,600,000	322,263	3,298,513	<b>3,842,359</b>	543,846
<b>EXPENDITURE TOTAL</b>	<b>\$0</b>	<b>\$1,600,000</b>	<b>\$322,263</b>	<b>\$3,298,513</b>	<b>\$3,842,359</b>	<b>\$543,846</b>
<b>AUTHORIZED PERSONNEL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FY 2011/12 Budget Highlights & Initiatives

- FY 2011/12 transfer to the Capital Improvement Plan includes \$1,400,000 for Holston Creek Regional Park, \$500,000 for Tyger River Regional Park, and \$250,000 for Va-Du-Mar McMillan Regional Park.
- This department includes a transfer to the Spartanburg Parks Fund (\$646,400) to support operational costs associated with Tyger River Regional Park.
- This department includes a transfer to the Debt Service Fund (\$1,390,488) for the repayment of principle and interest for Hospitality Tax Certificates of Participation (COPs).