



BUSINESS LICENSE

2022 License Update

***Please note that there were numerous changes to the business license ordinance for the Town of Irmo in 2021 including rate and classification changes. These changes are taking effect for the 2022 Business License year. To see the entire ordinance, please visit**

<https://library.municode.com/sc/irmo> and refer to Ordinance 21-11

APPENDIX A: BUSINESS LICENSE RATE SCHEDULE

FOR IN-TOWN BUSINESSES ONLY

RATE CLASS	INCOME: \$0 - \$2,000 BASE RATE	INCOME OVER \$2,000 RATE PER \$1,000 OR FRACTION THEREOF
1	\$35.00	\$0.90
2	\$40.00	\$1.00
3	\$45.00	\$1.10
4	\$50.00	\$1.20
5	\$55.00	\$1.30
6	\$60.00	\$1.40
7	\$65.00	\$1.50
8.1	\$30.00	\$1.00
8.2	Set by state statute	
8.3	MASC Telecommunications	
8.4	MASC Insurance	
8.51	\$12.50 + \$12.50 per machine	
8.52	\$12.50 + \$180.00 per machine	
8.6	\$50.00 plus \$5.00 -OR- \$12.50 per table	\$1.75
9.3	\$200.00	\$0.65
9.41	\$50.00	\$1.75

OUT-OF-TOWN BUSINESSES / NON-RESIDENT RATES

Unless otherwise specifically provided, all taxes and rates shall be **doubled** for nonresidents and itinerants having no fixed principal place of business within the Municipality.

DECLINING RATES

Declining Rates apply in all Classes for gross income in excess of \$1,000,000, unless otherwise specifically provided for in this ordinance.

<u>Gross Income in \$ Millions</u>	<u>Percent of Class Rate for each additional \$1,000</u>
0 - 1	100%
1 - 2	90%
2 - 3	80%
3 - 4	70%
OVER 4	60%

EXAMPLE - A grocery store has \$11,935,513 in gross income for the prior year. The license fee for a **Class 2*** would be calculated as follows:

On first	\$ 2,000 @ (base tax)	-	\$ 40.00
On next	998,000 @ 100% of \$1.00 per thousand	-	\$ 998.00
On next	1,000,000 @ 90% of \$1.00 per thousand	-	\$ 900.00
On next	1,000,000 @ 80% of \$1.00 per thousand	-	\$ 800.00
On next	1,000,000 @ 70% of \$1.00 per thousand	-	\$ 700.00
On next	7,935,513 @ 60% of \$1.00 per thousand	-	\$4,761.31

\$11,935,513	=	\$8,199.31
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*** NOTE EXAMPLE IS BASED ON A CLASS 2 RATE SCHEDULE**

CLASS 8 RATES

Each NAICS number designates a separate subclassification. The businesses in this section are treated as separate and individual subclasses due to provisions of state law, regulatory requirements, service burdens, tax equalization considerations, and other factors that are deemed sufficient to require individually determined rates. In accordance with state law, the Municipality also may provide for reasonable subclassifications for rates, described by an NAICS sector, subsector, or industry, that are based on particularized considerations as needed for economic stimulus or for the enhanced or disproportionate demands on municipal services or infrastructure.

Non-resident rates do not apply except where indicated.

8.1 NAICS 230000 – Contractors, Construction, All Types [Non-resident rates apply].

Resident rates, for contractors having a permanent place of business within the Municipality:

Minimum on first \$2,000	\$30.00 PLUS
Each additional 1,000.....	\$1.00

Non-resident rates apply to contractors that do not have a permanent place of business within the Municipality. A trailer at the construction site or structure in which the contractor temporarily resides is not a permanent place of business under this ordinance.

No contractor shall be issued a business license until all state and municipal qualification examination and trade license requirements have been met. Each contractor shall post a sign in plain view on each job identifying the contractor with the job.

Sub-contractors shall be licensed on the same basis as general or prime contractors for the same job. No deductions shall be made by a general or prime contractor for value of work performed by a sub-contractor.

No contractor shall be issued a business license until all performance and indemnity bonds required by the Building Code have been filed and approved. Zoning permits must be obtained when required by the Zoning Ordinance.

Each prime contractor shall file with the License Official a list of sub-contractors furnishing labor or materials for each project.

For licenses issued on a per-job basis, the total tax for the full amount of the contract shall be paid prior to commencement of work and shall entitle the contractor to complete the job without regard to the normal license expiration date. An amended report shall be filed for each new job and the appropriate additional license fee per \$1,000 of the contract amount shall be paid prior to commencement of new work. Only one base tax shall be paid in a license year. Licensees holding a per-job license shall file, by each April 30 during the continuation of the construction project, a statement of compliance, including but not limited to a revised estimate of the value

of the contract. If any revised estimate of the final value of such project exceeds the amount for which the business license was issued, the licensee shall be required to pay a license fee at the then-prevailing rate on the excess amount.

8.2 NAICS 482 – Railroad Companies (See S.C. Code § 12-23-210).

8.3 NAICS 517311, 517312 – Telephone Companies.

With respect to “retail telecommunications services” as defined in S. C. Code § 58-9-2200, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the “Telecommunications Collections Ordinance”). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to retail telecommunications services are set forth in the Telecommunications Collections Ordinance.

8.4 NAICS 5241 and 5242 – Insurance Companies and Brokers:

Independent agents and their employees are subject to a business license tax based on their natural class. With respect to insurers subject to license fees and taxes under Chapter 7 of Title 38 and to brokers under Chapter 45 of Title 38, the Municipality participates in a collections program administered by the Municipal Association of South Carolina. The Municipality has approved participation in the collections program by separate ordinance (the “Insurers and Brokers Collections Ordinance”). The rates, terms, conditions, dates, penalties, appeals process, and other details of the business license applicable to insurers and brokers are set forth in the Insurers and Brokers Collections Ordinance.

8.51 NAICS 713120 – Amusement Machines, coin operated (except gambling). Music machines, juke boxes, kiddy rides, video games, pin tables with levers, and other amusement machines with or without free play feature licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(1) and (A)(2) **[Type I and Type II]**.

For operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2746:

Per Machine	\$12.50 PLUS
Business license	\$12.50

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.51.

8.52 NAICS 713290 – Amusement Machines, coin operated, non-payout. Amusement machines of the non-payout type or in-line pin game licensed by SC Department of Revenue pursuant to S.C. Code §12-21-2720(A)(3) **[Type III]**.

For operation of all machines (not on gross income), pursuant to S.C. Code §12-21-2720(B):

Per Machine \$180.00 PLUS
Business license \$12.50

Distributors that sell or lease machines and are not licensed by the state as an operator pursuant to §12-21-2728 are not subject to Subclass 8.52.

9.3 NAICS 441110, 441120 - Automobile Dealers. This industry group comprises establishments engaged in retailing new and used automobiles and light trucks, such as sport utility vehicles, and passenger / cargo vans. Retailing includes combination with activities, such as repair services, retailing used cars, and selling replacement parts and accessories.

Minimum on first \$2,000..... \$200.00 PLUS
Each additional \$1,000..... \$0.65

9.41 NAICS 4543 - Direct Selling Establishments. This industry group establishments primarily engaged in non-store retailing (except electronic, mail-order, or vending machine sales). These establishments typically go to the customers location rather than the customer coming to them (door-to-door sales, home parties, etc.).

Minimum on first \$2,000..... \$50.00 PLUS
Each additional \$1,000..... \$1.75

APPENDIX B

2021 BUSINESS LICENSE CLASS SCHEDULE BY NAICS CODE

NAICS Sector/Subsector	Industry Sector	Class
11	Agriculture, forestry, hunting and fishing	2.00
21	Mining	4.00
31	Manufacturing	2.00
32	Manufacturing	2.00
33	Manufacturing	2.00
42	Wholesale trade	1.00
44	Retail trade	1.00
45	Retail trade	1.00
48	Transportation and warehousing	2.00
49	Transportation and warehousing	2.00
51	Information	4.00
52	Finance and insurance	7.00
53	Real estate and rental and leasing	7.00
54	Professional, scientific, and technical services	5.00
55	Management of companies	7.00
56	Administrative and support and waste management and remediation services	4.00
61	Educational services	4.00
62	Health care and social assistance	4.00
71	Arts, entertainment, and recreation	3.00
721	Accommodation	3.00
722	Food services and drinking places	1.00
81	Other services	5.00
Class 8	Mandatory or Recommended Subclasses	
23	Construction	8.10
482	Rail Transportation	8.20
517311	Wired Telecommunications Carriers	8.30
517312	Wireless Telecommunications Carriers (except Satellite)	8.30
5241	Insurance Carriers	8.40
5242	Insurance Brokers for non-admitted Insurance Carriers	8.40
713120	Amusement Parks and Arcades (per machine)	8.51
713290	Nonpayout Amusement Machines (per machine)	8.52
713990	All Other Amusement and Recreational Industries (pool tables)	8.60
Class 9	Optional Subclasses	
4411	Automobile Dealers	9.30
454390	Other Direct Selling Establishments (Regular Peddlers)	9.41

Note: Class Schedule is based on 2017 IRS data.