Hospitality Tax Expenditure Guidelines

- In the event that the administrator of the hospitality tax funding program is uncertain as to whether or not a specific expense is eligible to be paid for by hospitality tax funds, the administrator shall obtain a written option as to the eligibility of that expense from the Office of the City Attorney.
- Determination of the eligibility of expenses must be made by examining each expense and its purpose; there should not be any "blanket" approvals of expenses by category or organization.
- The expense must be directly in support of one of the 6 purposes of hospitality tax funding under S.C. Code §6-1-730.

Below is a general list of expenses that may be eligible for hospitality tax funds, if they are used directly for

1. Tourism-related buildings, including but not limited to civic centers, coliseums, aquariums; and/or
2. Tourism-related cultural, recreational, and historic facilities; and/or
3. Beach access and re-nourishment; and/or
4. Highways, roads, streets, and bridges providing access to tourist destinations; and/or
5. Advertising and promotions related to the development of tourism; and/or
6. Water and sewer infrastructure to serve tourism-related demand.

Examples of generally eligible expenses:
Marketing and Promotions: printing and design expenses for advertising materials, mailings for advertising, marketing firm in lieu of in-house marketing staff

Security: security used for events is allowable

Entertainment: Artist performance fees only, speaker fees only

Generally ineligible expenses:
non-event related security
artist *per diems*
rentals (e.g., stages, tents, tables, chairs)
administrative and operating costs of the organization
rent, office equipment and supplies, utilities
food and beverage of any kind for any purpose
insurance, memberships, registrations, permits, donations
credit card receipts without explanation of expenses
maintenance and upkeep of property (except tourism-related building and facilities)
accounting or legal expenses
employee benefits

Possibly eligible (case-by-case evaluation):
Portion of salary of employees hired to perform eligible function (e.g., marketing manager)
Activities in other events already funded by the City

Note that this list is generally applicable but there may be exceptions to each, which is why each expense must be examined individually. For example, non-event related security may generally be ineligible, but may be eligible if the security is for a tourism-related cultural, recreational or historic facility.