

June 1, 2021



**Hospitality Tax, Local Accommodations Tax, and Hospitality Fee Changes**

In March 2019, the City of Myrtle Beach approved an increase in its Local Accommodations Tax from 0.5% to 3% and implemented its 2% Hospitality Tax. In July 2019, the City began to collect these taxes and Horry County ceased collection of its 1.5% Hospitality Fee inside the City’s corporate limits.

Recently, the City and the County reached a settlement of the lawsuit contesting the County’s collection of the 1.5% Hospitality Fee from City businesses. The settlement agreement provides, among other things, that the County will resume collections of its 1.5% Hospitality Fee inside the City of Myrtle Beach but will pay to the City all amounts collected from City businesses, less a 1% administrative fee. The City, in turn, will “reset” the rates of its Hospitality Fee and Tax and Local Accommodations Tax to the rates it charged prior to July 2019. Below is a chart that provides a summary of the information contained in this letter.

**Effective July 1, 2021 what do I collect?**

Nothing changes until 12:01 a.m., on July 1, 2021, when you will collect and pay to the City of Myrtle Beach the following fees and taxes, just as you did prior to July 1, 2019. **You will receive the updated 2021 Reporting Forms in June 2021.**

Accommodations & Short Term Rental Providers	Collect 0.5% Local Accommodations Tax & 1% Hospitality Fee
Prepared Food & Beverage Providers	Collect 1% Hospitality Fee
Paid Places of Admissions	Collect 1% Hospitality Fee

**What about Hospitality Fee payments to Horry County?**

You should expect to receive a separate communication from the County soon regarding the resumed collection of the County’s 1.5% Hospitality Fee from businesses located inside the City once again as of 12:01 a.m. on July 1, 2021.

Pre-existing Tax and Fee Paid Prior to July 1, 2019	Type of Tax and Fee Currently Paid Through June 30, 2021	Changes coming on July 1, 2021	On July 1, 2021 you will pay
<p><b>Accommodations – Short Term Rentals</b></p> <p>1% City Hospitality Fee 0.5% City Accommodations Tax <u>1.5%</u> County Hospitality Fee 3% Total</p>	<p>1% City Hospitality Fee 3% City Accommodations Tax <u>-1%</u> Hospitality Tax credit when paying both 3% Total to City</p>	<p>Your rate on City fees and taxes will go back to 1.5%, <b>and</b> you will resume paying Horry County’s 1.5% Hospitality Fee as you did prior to July 1, 2019.</p>	<p>1% City Hospitality Fee 0.5% City Accommodations Tax <u>1.5%</u> County Hospitality Fee 3% Total</p>
<p><b>Prepared Food &amp; Beverage</b></p> <p>1% City Hospitality Fee <u>1.5%</u> County Hospitality Fee 2.5% Total</p>	<p>1% City Hospitality Fee 2% City Hospitality Tax <u>-1%</u> Hospitality Tax credit when paying both 2% Total to City</p>	<p>Your rate on City fees and taxes will go back to 1% <b>and</b> you will resume paying Horry County’s 1.5% Hospitality Fee as you did prior to July 1, 2019.</p>	<p>1% City Hospitality Fee <u>1.5%</u> County Hospitality Fee 2.5% Total</p>
<p><b>Places of Admissions</b></p> <p>1% City Hospitality Fee <u>1.5%</u> County Hospitality Fee 2.5% Total</p>	<p>1% City Hospitality Fee to City</p>	<p>Your rate on City fees does not change <b>and</b> you will resume paying Horry County’s 1.5% Hospitality Fee as you did prior to July 1, 2019.</p>	<p>1% City Hospitality Fee <u>1.5%</u> County Hospitality Fee 2.5% Total</p>

**\*\* As of July 1, 2021 Horry County will resume imposing its 2.5% Rental Car Fee\*\***