



## Accommodations Tax Grant Program

The City of Clemson is accepting applications for the Accommodations Tax Grant for fiscal year 2024-2025. Accommodations Tax Grants are provided to eligible projects through revenue received by the City for its share of the 2% lodging tax levied by the State of South Carolina. These monies can only be used for activities related to tourism in the following categories:

1. Advertising and promotion of tourism so as to develop and increase tourist attendance through the generation of publicity.
2. Promotion of the arts and cultural events.
3. Construction, maintenance and operation of facilities for civic and cultural activities including construction and maintenance of access and the nearby roads and utilities for the facilities.
4. The criminal justice system, law enforcement, fire protection, solid waste collection and health facilities when required to serve tourists and tourist facilities. This is based on the estimated percentage of cost directly attributed by tourists.
5. Public facilities such as restrooms, dressing rooms, parks, and parking lots.
6. Tourist shuttle transportation.
7. Control and repair of waterfront erosion, including beach re-nourishment.
8. The operating of visitor information centers.

### Overview of South Carolina Accommodations Tax

In South Carolina, the state accommodations tax (ATAX) is a mandatory 2% charge applied to all accommodations statewide. The definition of accommodations is broad and includes hotels, motels, campgrounds, and other lodging. The SC Department of Revenue collects these dollars and distributes them back to the cities and counties where they were collected.

State law is very specific about how cities and counties can spend state ATAX revenue. A portion of the funds, based on a formula, is allocated to a special fund used for tourism-related expenditures. A local advisory committee makes recommendations as to how the special fund is used

### How Funds are Dispersed

#### **General Revenue Expenses**

Each unit of local government, (i.e. City of Clemson), receiving State Accommodations Tax Revenue is entitled to expend the first \$ 25,000 on any general revenue expenses. The remaining funds will be referred to as the "Balance" which is distributed on a 5%, 30%, and 65% basis as described below.

#### **General Fund (5%)**

5% of the "Balance" is eligible to be used by local government, (i.e. City of Clemson), for any general fund expense.

### **Advertising and Promotion Special Fund (30%)**

30% of the “Balance” is to be distributed quarterly upon receipt to one or more designated organization(s) with ongoing tourism promotion program(s), (i.e. Clemson Area Chamber of Commerce).

### **Tourism Related Activities Special Fund (65%)**

65% of the “Balance” is to be used for tourism related activities, (i.e. City of Clemson Accommodations Tax Grant Program). The distribution of these funds **requires** an application process. The South Carolina Department of Revenue oversees the operations of the State Accommodations Tax Program and has the authority to extend the time period for holding this special fund.

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Additional information in the SC Code of Law: Title 6, Chapter 4 Allocation of Accommodations Tax Revenues  
<https://www.scstatehouse.gov/code/t06c004.php>

### **Who Can Apply for the 65% Funds**

All applicants are asked to provide proof of their federal employer identification number as registered with the Internal Revenue Service. This number must coincide with applicant’s organization name.

To qualify for funding, program/event applicants must provide proof of their non-profit status and fall into one of the following categories:

1. Any governmental agency, board commission or political subdivision other than those specifically designated as a state agency.
2. Not-for-profit organizations as registered with the Secretary of State of South Carolina. Your “CERTIFICATE OF INCORPORATION/EXISTENCE” must accompany your application even if you have been awarded funding in the past.

### **City of Clemson Accommodations Tax Committee**

#### **Background and Purpose**

By state law, the advisory committee, also known as the Accommodations Tax Committee or ATax Committee, must consist of seven members, with a majority being selected from the hospitality industry of the municipality or county receiving the revenue. At least two of the hospitality industry members must be from the lodging industry. One member must represent the cultural organizations of the municipality receiving the revenue.

The advisory committee submits written recommendations to the City council at least once annually regarding the expenditure of state ATAX tax proceeds. The City council may accept, reject, or modify these recommendations. The council must submit an annual report detailing use of the state ATAX tax proceeds to the state.

#### **Mission Statement**

The City of Clemson ATAX Committee strives to promote Clemson as a vibrant tourist destination through innovative cultural initiatives and strategic investments, embodying the spirit of the upstate to enrich visitor experiences and foster community pride. See you here!

## **Goals**

The City of Clemson ATax Committee has developed goals to accomplish its purpose in conjunction with the above funding plan. The committee will make recommendations annually in the areas of each of these goals.

1. Allocate the State Accommodations Tax Funds to programs and events that directly promote tourism in the City of Clemson.
2. Establish the City of Clemson as a center recognized for its events, arts, and cultural amenities.
3. Support the expansion and diversification of tourism opportunities in the City of Clemson.

## **Funding Requirements**

The purpose of the program is to market outside the 50-mile radius which results in bringing tourists to Clemson. Funding cannot be used for promotional products distributed locally, such as tourist itinerary or travel guides, programs, flyers, posters or any other items that relate to the program/event.

Funding is for tourism-related programs/events for the promotion of the City of Clemson.

Funding is not guaranteed for any program/event whether that program/event has received funding in the past or is submitting for the first time.

Formal applications must be submitted before any requests will be considered. Organizations who do not have their non-profit status or a non-profit sponsor may not apply.

Events can be a one-time event or an ongoing event.

Funds approved for a specific program/event must be used for that program/event only and do not carry over and cannot be transferred to another program should the program/event not use any or all the funds allocated.

The amount of funds awarded to approved applicants will be determined based upon funds available, thoroughness of the application, execution of the program/event, and reimbursement process.

## **Funding Priorities**

As required by the South Carolina Accommodations Tax Law, projects must attract visitors to the City of Clemson. Priority will be given to unique projects that:

1. Generate additional tourism-related tax dollars within the City of Clemson.
2. Promote dining at restaurants in the City of Clemson.
3. Generate overnight stays in City of Clemson lodging facilities.
4. Construct new or enhance existing recreation facilities.
5. Promote and highlight the City of Clemson's historic and cultural venues, recreational facilities, trails and events, and uniqueness of the local community.
6. Promote arts and cultural events.

### Ineligible Programs/Events & Ineligible Costs

The Committee will not consider funding programs/events that contain any of the following criteria:

1. Programs/events that target only local audiences.
2. Fundraising expenses.
3. Other programs/events as determined ineligible by the City of Clemson Accommodations Tax Committee subject to approval by the Clemson City Council.
4. Debt payments of any type.
5. Regular operating activities of an organization.
6. Travel costs to programs/events.
7. For Profit Businesses and Organizations (including but not limited to internet businesses, home based businesses, etc.).
8. Certain items within programs/events that include but are not limited to food, performance fees, postage, shipping costs, consultant fees, retainer fees, speaker fees, give-away items (unless sent out of 50-mile radius), salaries, utility costs, sanitation services, medical services and other services as deemed ineligible by the State of SC Tourism Oversight Review Committee.

### Application Timeline

August 9-10, 2024	Advertisement place in local newspaper
September 6, 2024	Accommodation Tax Grant Application Deadline
September 9-27, 2024	Accommodations Tax Committee Reviews Applications and Interviews applicants (as necessary).
October 7, 2024	Recommendations presented to Council
October 21, 2024	Recommendations presented to Council for approval