



# Accommodations Tax Guidelines & Application

*Applications are due April 10, 2026*

## **INTRODUCTION:**

*Applicants, please be aware that it is the intent of the Accommodations Tax Grant Advisory Committee to fund the Columbia Metropolitan Convention & Visitors Bureau and Capital City Lake Murray for the 2026/2027 fiscal year.*

Please carefully read the guidelines before preparing your application. These guidelines introduce applicants to the purpose and procedures associated with Accommodations Tax funding. They will also assist you in determining whether your projects and/or programs are eligible for Accommodations Tax funding.

In addition to reading these guidelines, you must review the Compliance Information on the Application Form before you begin preparation. Please read and review the following documents as part of the Application Package:

- Accommodations Tax Advisory Committee Members
- Application Guidelines
- Application Final Criteria
- Accommodations Tax Application

**Please pay careful attention to the application guidelines** before you begin your application.

<b>HOSPITALITY</b>	<b>AT-LARGE</b>	<b>CULTURAL</b>
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## **I. PURPOSE**

The South Carolina State Assembly enacted Bill H2186, which imposed a 2% tax on all accommodations in the State. The purpose of the legislation is stated in Section 1 of the Bill:

### **SECTION 1.**

The General Assembly finds that areas of the State which have a high concentration of tourism activity may also be required from time to time to provide additional county and municipal services, including, but not limited to, law enforcement, traffic control, public facilities, and highway and street maintenance, as well as, the continual promotion of tourism. The purpose of this act is not to provide services usually provided by the county or municipality but to promote tourism and enlarge its economic benefits through advertising, promotion, and providing those facilities and services that enhance the ability of the county or municipality to attract and provide for tourists.

## **II. STATE ALLOCATIONS AND CRITERIA:**

State law, as amended in 1991, provides that accommodation tax revenues must be allocated in the following manner:

- A. The first \$25,000 must be allocated to the General Fund of the City of Columbia and is exempt from all other requirements of the legislation;
- B. 5% of the balance must be allocated to the General Fund of the City of Columbia and is exempt from all requirements of the legislation;
- C. 30% of the balance must be allocated to a special fund and used for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity. The City has designated the Columbia Metropolitan Visitors Bureau to manage those funds and
- D. The remaining balance must be used for tourism-related expenditures. **Tourism-related expenditures are defined in the legislation as follows:**
  - Advertising and Promotion of Tourism
  - Arts and Cultural Projects/Events
  - Facilities for Civic and Cultural Events
  - Municipality and County Services
  - Public Facilities
  - Tourist Transportation
  - Waterfront Erosion
  - Visitors Centers
  - Other

## **III. DETERMINING TOURISM-RELATED FUNCTIONS:**

- A. Tourism refers to “the actions and activities of people traveling outside their home communities for any purpose other than daily commuting to and from work.” For the purposes of the City of Columbia, a tourist is defined as any individual traveling from outside the city limits. Tourism development includes activities or services that bring visitors into the city or provide essential support to them during their stay.
- B. Accommodation tax funds must be used to attract and provide for tourists and must be spent on tourism-related expenditures. If an expenditure cannot be directly related to tourism, accommodation tax revenue may not be used to fund the expenditure.
- C. Some tourism-related expenditures are awarded on a “percentage of tourism” basis. The applicant must be able to substantiate how much of the total expenditure is related to tourism and provide the “percentage of tourism.” The tourism percentage of the funded amount will be used to calculate reimbursement.
  - Example: An organization is funded \$1,000 for eligible expenditures. The organization spent \$1,000 on transportation for an upcoming event. 50% of those attending the event were tourists. Based on the percentage of tourism, the organization will be reimbursed in the amount of \$500.
- D. Organizations must provide documentation of tracking methods to determine the number of tourists.
- E. Applicants applying for funding must list any other accommodations tax funds requested or received from different municipalities and/or counties for the same fiscal year.
- F. All organizations applying for accommodation tax funding must have an application on file for each request each year. They must also be listed on the Accommodations Tax Reporting Form submitted annually to the Tourism Expenditure Review Committee, regardless of whether they were awarded any funds.
- G. Salaries may only be paid based on the percentage of time spent on tourism-related functions.
- H. Accommodations tax tourism funds may not be spent on purely local functions.

- I. Funding for fireworks expenditure requests will be considered only if they "attract and provide for tourism." Each request will be evaluated individually.

#### **IV. PROCEDURES AND CONDITIONS FOR FUNDING:**

- A. The Committee will review each application upon receipt. Applicants should be ready to give a five (5) minute oral presentation of their funding request. Presentations will be scheduled for **May 15, 2026**, and you will be notified of the exact place and time.
- B. The Committee serves as an advisory body, making funding recommendations to the City Council for final approval.
- C. Notification of funding results will be sent to applicants during the first quarter of the fiscal year (July-September).
- D. If your funding request is granted, please be advised that Accommodations Tax funding carries the following conditions:
  - The City has the right to conduct audits of organizations that receive funding.
  - City staff continuously assess recipient organizations to promote self-sufficiency through additional or alternative funding sources.
  - All projects must be completed during the fiscal year they are funded. The fiscal year 2026-2027 begins July 1, 2026, and ends on June 30, 2027.

#### **V. REQUIREMENTS FOR DISBURSEMENT OF FUNDS:**

- A. Reimbursement for project expenses requires the submission of invoices verifying expenditures and proof of payment for the invoices. Expenditures must be consistent with the application budget. Only goods and services that comply with the Accommodations Tax Guidelines and State Law are reimbursable. Project or event vendors will not be paid directly by the City of Columbia. Reimbursement checks will be written only to the applicant. Invoices for reimbursements with proof of payment should be submitted to the City of Columbia with a written request for funding.

##### **Eligible expenditures are:**

- Advertising/Promotions/Marketing (designing, printing, postage for items mailed to attract tourists)
- Municipal Services/Security
- Entertainment/Speakers/Guest Artist Instructors

##### **Some of the expenditures **NOT** eligible are:**

- Any Rentals.
- Items given to tourists once they are here (tee shirts, cups, trophies...etc.),
- Insurance or licenses
- Invoices outside the funding year
- Salaries (other than previously mentioned)
- Transportation or accommodations
- Food or beverages
- Decorations, staging, or fencing.

- B. The request for reimbursement must be on letterhead from the organization funded and include a contact number and address.
- C. Requests need required backup (copies of invoices/contracts).
- D. Payments or reimbursement requests will not be released without these documents on file:
  - IRS Form W-9
  - Statement of Assurance
  - A full budget for the project must be on file. Please note: Other funding sources must be included in the project budget.
  - A current City of Columbia business license.

- E. Quarterly allocations are made when applicable. Funding may be obtained in advance, but backup must be submitted within 30 days after the event.
- F. All reimbursement requests must be received by May 30th of the fiscal year.
- Request to carry forward funding MUST be received by May 30th of the funding year. Send to request to [Tina.Saxon@columbiasc.gov](mailto:Tina.Saxon@columbiasc.gov)
- G. **Full reimbursement for all projects is contingent upon the receipt of expected Accommodations Tax revenues from the State of South Carolina. Any reduction, delay, or change in funding may affect the amount reimbursed. If actual revenues fall short of the budgeted amount, reimbursements will be adjusted on a pro-rata basis or through another method determined at that time. Project Directors should keep this dependency in mind when preparing project budgets.**