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State of South Carolina  
**Department of Revenue**  
301 Gervais Street, P. O. Box 125, Columbia, South Carolina 29214

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SC TECHNICAL ADVICE MEMORANDUM #95-2 (TAX)

TO: Marvin Davant, Assistant Administrator  
Field Services Division

SUBJECT: Sight-Seeing Tours  
(Admissions Tax)

DATE: October 18, 1995

SCOPE: This Technical Advice Memorandum is Policy's **official advisory opinion** of how laws administered by the Department of Revenue are to be applied to a specific issue or set of facts.

Question:

Are fees paid for sight-seeing tours conducted by carriage, bus, helicopter, airplane, trolley, boat, and other similar modes subject to the admissions tax imposed under Code Section 12-21-2420?

Conclusion:

Fees paid for sight-seeing tours conducted by carriage, bus, helicopter, airplane, trolley, boat, and other similar modes are not subject to the admissions tax imposed under Code Section 12-21-2420.

Facts:

Tourist areas in South Carolina provide a variety of sight-seeing tours to our State's visitors. The mode of tour includes boats, buses, motorized trollies, helicopters, airplanes and horse drawn carriages. Generally, the visitor pays the tour business a set fee to take a specific area tour. The visitor may, for example, take a tour by air over the beach, a trolley ride to view museums and local landmarks, a bus ride to view churches, battle grounds, and historic homes, or a carriage tour of blooming gardens. Upon completion of the tour, the visitor is returned to his original place of departure.

Advice has been requested concerning the applicability of the admissions tax to these various sight-seeing tours.

Discussion:

Code Section 12-21-2420 imposes the admissions tax and reads, in part:

There must be levied, assessed, collected, and paid upon paid admissions to places of amusement within this State a license tax of five percent...

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The tax imposed by this section shall be paid by the person or persons paying such admission price and shall be collected and remitted to the South Carolina Department of Revenue and Taxation by the person or persons collecting such admission price...

It has been the longstanding policy of the Department of Revenue not to impose the admissions tax on fees paid solely for sight-seeing tours conducted by carriage, bus, helicopter, airplane, trolley, boat, and other similar modes. The rationale for this policy is twofold:

(1) Prior to 1981, the Department considered an excursion boat with a dance hall to be a place of amusement, but did not consider boat or other sight-seeing tours to be places of amusement. In March 1981, Attorney General Opinion No. 81-30 concluded that an excursion boat offering sight-seeing or fishing was a place of amusement. Later in 1981, the Legislature amended Code Section 12-21-2420 to exempt from the admissions tax "admissions to boats which charge a fee for pleasure fishing, excursion, sight-seeing and private charter." A result of this amendment was to confirm the Department's prior longstanding administrative policy of not taxing fees charged for sight-seeing tours.

(2) For years the Department's Audit Training Manual for Admissions Tax has stated that carriages, helicopter, or plane rides for touring or pleasure are not subject to the tax.<sup>1</sup>

It is well settled that the construction of a statute by an agency charged with its administration will be accorded the most respectful consideration and will not be overturned absent compelling reason. Laurens County School Districts 55 & 56 v. Cox, 308 S.C. 171, 417 S.E. 560 (1992). Jasper County Tax Assessor v. Westvaco Corp., 305 S.C. 346, 409 S.E. 2d 333 (1991); Dunton v. S.C. Bd. of Examiners of Optometry, 291 S.C. 221, 353 S.E. 2d 132 (1987).

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<sup>1</sup>It should be noted that the admissions tax applies to charges for admission to a carriage, bus, trolley, etc. when admission to the vehicle is for entertainment, dancing, or drinking in a social environment, and not solely for sight-seeing.