

PUBLIC DRAFT

Circulated for Public Comments

Comments Due by: **July 10, 2024**

SC REVENUE RULING #24-x [DRAFT – 6/19/2024]

SUBJECT: Golf Club Monthly or Annual Dues
(Admissions Tax)

EFFECTIVE DATE: May 13, 2024

MODIFIES: S.C. Private Letter Ruling #91-5
S.C. Revenue Ruling #91-18
S.C. Revenue Ruling #05-14

SUPERSEDES: All previous advisory opinions and any oral directives in conflict herewith.

REFERENCES: S.C. Code Ann. § 12-21-2420

AUTHORITY: S.C. Code Ann. § 12-4-320
S.C. Code Ann. § 1-23-10(4)
SC Revenue Procedure #09-3

SCOPE: The purpose of a Revenue Ruling is to provide guidance to the public. It is an advisory opinion issued to apply principles of tax law to a set of facts or general category of taxpayers. It is the Department’s position until superseded or modified by a change in statute, regulation, court decision, or another Department advisory opinion.

S.C. Code Ann. § 12-21-2420 imposes an admissions tax of five percent (5%) upon all paid admissions to places of amusement within this State. On May 13, 2024, Governor Henry McMaster signed Bill Number H. 3880, which amends S.C. Code Ann. § 12-21-2420 to exempt from admissions tax “annual or monthly membership dues paid to a golf club.” The purpose of this advisory opinion is to address questions concerning the scope of this exemption.

1. What type of membership dues are exempt? Does the exemption apply to other dues processed by golf clubs?

The act exempts monthly and annual golf club membership dues from the state’s admissions tax. Other kinds of membership dues imposed by a golf club that do not allow the member to play golf (i.e., social dues, athletic dues, fitness dues, swim dues, or tennis dues) are not exempt from the state’s admissions tax. Any membership dues that allow the member to play golf at the golf club that charges the dues are exempt from the state’s admissions tax. (See also Response No. 6 concerning dues that allow members to play golf at other locations.)

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2. Will the exemption apply to any local admissions taxes or fees imposed by counties?

A local admissions fee is imposed under a county ordinance and is governed by the county. Taxpayers are encouraged to consult with the county in which the local admissions fee is imposed to determine whether the golf club membership dues are exempt from the local admissions fee.

3. Does the exemption apply to green fees or driving range fees charged to both members and non-members?

No. The act exempts golf club membership dues, both monthly and annual, from the State admissions tax. It does not exempt other fees, including green fees or driving range fees. For example, the state's admissions tax still applies when a semi-public golf club charges a greens fee to non-members.

4. Will a refund be issued for admissions tax already reported and paid for annual membership dues billed and collected from members for 2024?

No. The Governor signed the act on Monday, May 13, 2024, and it became effective on that day. When golf clubs file their admissions tax return for May, they will not need to include any annual or monthly dues paid on or after May 13, 2024. However, because the exemption was not available before the effective date of the Act, any dues paid before May 13, 2024 were subject to the tax and no refund is available.

5. When will golf clubs no longer need to report/submit admissions tax on monthly or annual membership dues?

The act was signed by the Governor on Monday, May 13, 2024, and became effective that day. When golf clubs file their admissions tax return for May, they will not need to include any annual or monthly dues paid on or after May 13, 2024.

6. Does the exemption apply to outside memberships that golf clubs may offer to their members, which allows their members to receive benefits at other participating clubs?

The act exempts golf club membership dues, both monthly and annual, from the State admissions tax. If the outside memberships offered by golf clubs to their members include access to golf, then the membership dues are exempt from the tax.