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Comments Due by: **November 19, 2025**

SC REVENUE RULING #25-xx [Public Draft – 10/28/2025]

SUBJECT: Dinner Attraction Shows
(Sales Tax and Admissions Tax)

EFFECTIVE DATE: All periods upon under the statute.

MODIFIES: SC Private Letter Ruling #92-5

REFERENCES: S.C. Code Ann. Section 12-36-90 (2014)
S.C. Code Ann. Section 12-36-910 (2014)
S.C. Code Ann. Section 12-21-2410 (2014)
S.C. Code Ann. Section 12-21-2420 (2014)

AUTHORITY: S.C. Code Ann. Section 12-4-320 (2014)
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 It is the Department's position until superseded or modified by a change in statute, regulation, court decision, or another Department advisory opinion.

INTRODUCTION:

This ruling explains how the sales tax and admissions tax apply to dinner attraction shows, where customers, after paying one ticket price, receive admittance into a dinner theater to watch a show while also receiving a meal.

LAW AND DISCUSSION:

SALES TAX

South Carolina law imposes “[a] sales tax, equal to [six]¹ percent of the gross proceeds of sales . . . upon every person engaged or continuing within this State in the business of selling tangible personal property at retail.” The measure or basis of the sales tax is calculated on the “gross proceeds of sales,” which is defined as “the value proceeding or accruing from the sale, lease, or

¹ S.C. Code Ann. § 12-36-910(A) imposes a 5% sales and use tax. S.C. Code Ann. § 12-36-1110 imposes an additional 1% sales and use tax rate.

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rental of tangible personal property.”² The term includes the proceeds from the sale of tangible personal property without any deduction for the cost of goods sold, the cost of materials, labor, or service, or any other expenses.³ South Carolina law does not impose sales tax on receipts from services,⁴ “when the services are the true object of the transaction.”⁵

When a transaction includes both non-taxable services and taxable sales of tangible personal property, the Department, as well as South Carolina courts, have used the “true object” test to determine the true object of the transaction. Applying this test to dinner attraction shows, it must be determined whether the meal⁶ or the entertainment services are the true object of the transaction.

If the meal is the true object and the entertainment is incidental to the sale of the meal, the entire charge for the ticket would be subject to the sales tax. If the true object of the transaction is the show and the meal is incidental to the show, the charge for the ticket would not be subject to the sales tax.⁷

The “true object” test is best described in 9 Vanderbilt Law Review 231 (1956), wherein it is stated:

The true test then is one of basic purpose of the buyer. When the product of the service is not of value to anyone other than the purchaser, either because of the confidential character of the product, or because it is prepared to fit the purchaser’s special need – a contract or will prepared by a lawyer, or the accident investigation report prepared for an insurance company – this fact is evidence tending to show that the service is the real purpose of the contract. When the purpose of a contract is to produce an article which is the true object of the agreement, the final transfer of the product should be a sale, regardless of the fact that special skills and knowledge go into its production. Under this analysis, printing work, done on special order, and of significant value only to the particular customer, is still a sale. The purchaser is interested in the product of the services of the printer, not in the services per se. Similarly, it would seem that contracts for custom-produced articles, be they intrinsically valuable or not, should be classified as sales when the product of the contract is transferred.

² S.C. Code Ann. § 12-36-90.

³ S.C. Code Ann. § 12-36-90(1).

⁴ With the exception of those services on which South Carolina law specifically imposes the sales and use tax (i.e. accommodation services, communication services). S.C. Regulation 117-308.

⁵ S.C. Regulation 117-308.

⁶ Food is tangible personal property for purposes of the sales and use tax. *See Greystone Catering Co. Inc. v. S.C. Dep’t of Revenue*, 326 S.C. 551, 552, 486 S.E.2d 7, 8 (Ct. App. 1997).

⁷ Although the charge for the ticket in this scenario would not be subject to sales tax, the charge would still be subject to admissions tax, as the Department discusses below.

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The Vanderbilt Law Review article, in quoting Snite v. Department of Revenue, 398 Ill. 41, 74 N.E.2d 877 (1947), also establishes the following general rule:

If the article sold has no value to the purchaser except as a result of services rendered by the vendor, and the transfer of the article to the purchaser is an actual and necessary part of the services rendered, then the vendor is engaged in the business of rendering service, and not in the business of selling at retail. If the article sold is the substance of the transaction and the service rendered is merely incidental to and an inseparable part of the transfer to the purchaser of the article sold, then the vendor is engaged in the business of selling at retail, and the tax which he pays . . . [is measured by the total cost of article and services]. *If the service rendered in connection with an article does not enhance its value and there is a fixed or ascertainable relation between the value of the article and the value of the service rendered in connection therewith, then the vendor is engaged in the business of selling at retail, and also engaged in the business of furnishing service, and is subject to [sales] tax as to the one business and ... exempt [from sales tax] as to the other.* (Emphasis added).

While the above quotes do not establish rigid rules, they provide general guidance in determining the purpose of a transaction, and are particularly helpful in addressing the unique issues presented in these dinner attraction shows.

In regard to dinner attraction shows, there is not one true object, but two – the sale of a meal *and* the sale of entertainment. The meal and the entertainment are sold together, and one is not incidental to the other. Therefore, a dinner attraction show “is engaged in the business of selling [a meal] at retail, and also engaged in the business of furnishing [an entertainment] service, and is subject to [the sales] tax as to the one business and tax exempt [for sales tax purposes] as to the other.”⁸ This is distinguishable from other transactions analyzed by South Carolina courts and the Department under the true object test, where the facts and circumstances indicated that there was one distinct “true object” of the transaction, making the entire transaction either taxable or not taxable.⁹

In considering the above discussion, dinner attraction shows will only be required to remit the sales tax on that portion of the charge representing the price of the meal, provided it is reasonable and supported by the records of the taxpayer.

⁸ See Snite v. Department of Revenue, 398 Ill. 41, 46, 74 N.E.2d 877, 880 (1947).

⁹ See Rent-A-Center East, Inc. v. S.C. Dep’t of Revenue, 425 S.C. 582, 824 S.E.2d 217 (Ct. App. 2019) (sale of optional liability waivers were merely incidental to the rental of tangible personal property, thus the rentals were the true object of the transactions); Boggero v. S.C. Dep’t of Revenue, 414 S.C. 277, 777 S.E.2d 842 (Ct. App. 2015) (determining the true object of the transactions at issue was for the rental of portable toilets and not waste removal services); *see also* S.C. Private Letter Ruling #20-3 (the true object of the transaction was for a mixing service and not the sale of concrete).

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ADMISSIONS TAX

Code Section 12-21-2420 imposes a 5% admissions tax “upon all paid admissions to all places of amusement within this State” Code Section 12-21-2410 defines admissions as “the right or privilege to enter into or use a place or location.”

A dinner attraction show is clearly a place of amusement for which a fee is paid to enter into or use. While the admissions tax statute defines the word “admissions,” it does not elaborate as to what constitutes “paid admissions.” Therefore, we must determine what is the paid admission.

“Administrative interpretation of statutes, consistently followed by the agencies charged with their administration and not expressly changed by Congress, are entitled to great weight.¹⁰” When, as in this case, the construction or administrative interpretation of a statute has been applied by the agency charged with administering said statute for a number of years and the construction or interpretation has not been changed by the legislature, a strong presumption is created that such interpretation or construction is correct.¹¹ The Department holds the longstanding policy to only tax, for admissions tax purposes, that portion of a package deal that represents the price of the admissions. (A package deal is one that includes the purchase of tangible personal property and admissions to a place of amusement.)

CONCLUSION:

The charge by a dinner attraction show for a ticket is subject to both the sales tax and the admission tax. However, dinner attraction shows will only be required to remit the sales tax on that portion of the charge representing the price of the meal and the admissions tax on that portion of the charge representing the price of the admissions, provided the price breakdown is reasonable and supported by the records of the taxpayer.

In the event the taxpayer’s records do not support the amount reported and remitted for sales tax or admissions tax, the Department may employ any proper and reasonable audit methods for the purpose of determining tax liability.¹²

¹⁰ McEntire Produce, Inc. v. South Carolina Dep’t of Revenue, 439, S.C. 238, 256, 886 S.E.2d 697, 707 (Ct. App. 2023) (*quoting* Marchant v. Hamilton, 279 S.C. 497, 309 S.E. 2d 781 (1983)).

¹¹ *See* Charleston County Assessor v. University Ventures, LLC, 427 S.C. 273, 289, 831 S.E.2d 412, 420 (2019) (*citing* Tiwan Fertilizer Company v. South Carolina Tax Commission, 217 S.C. 354,359, 60 S.E.2d. 682, 684 (1950)). *See also* Ryder Truck Lines, Inc. v. South Carolina Tax Comm’n. 248 S.C. 148, 152-153, 149 S.E. 2d. 435, 437 (1966).

¹² *See* S.C. Code Ann. § 12-54-100.