



SC PRIVATE LETTER RULING #88-13

TO: ABC Museum

SUBJECT: Admissions Fees - Museum
(Admissions Tax)

REFERENCE: S.C. Code Ann. Section 12-21-2420(9) (1976)

AUTHORITY: S.C. Code Ann. Section 12-3-170 (1976)
SC Revenue Procedure #87-3

SCOPE: A Private Letter Ruling is a temporary document issued to a taxpayer, upon request, and it applies only to the specific facts or circumstances related in the request. Private Letter Rulings have no precedential value and are not intended for general distribution.

Question:

Will admissions fees to the ABC Museum be subject to the admissions tax or will such fees be exempt pursuant to Code Section 12-21-2420(9)?

Facts:

The ABC Museum is scheduled to open in October of 1988. The museum is housed in the Columbia Mill Building. This structure, formerly the Mount Vernon Textile Mill, was built in 1894 and is on the National Register of Historical Places.

Also housed in the Columbia Mill Building are the Greater Columbia Visitors Center, the South Carolina Tax Commission and the State Library for the Blind and Physically Handicapped. The building also contains a large atrium/lobby area.

Discussion:

Code Section 12-21-2420 imposes the admissions tax "upon all paid admissions to all places of amusement within this State." Code Section 12-21-2410 defines the following:

- (1) The word "admission" means the right or privilege to enter into or use a place or location;
- (2) The word "place" means any definite enclosure or location; and

- (3) The word "person" means individual, partnership, corporation, association; or organization of any kind whatsoever.

Subsection (9) of Code Section 12-21-2420 exempts from taxation "...admissions to properties or attractions which have been named to the National Register of Historical Places." The issue is whether the exemption pertains to the Columbia Mill Building or extends to the State Museum, which is located therein.

The Historic Preservation Program is administered by the Department of the Interior which maintains a National Register of Historic Places, designates properties as historic landmarks, and establishes a selection criteria and a nomination process. Section 470a(1)(A) of Title 16 of the United States Code Annotated reads:

The Secretary of the Interior is authorized to expand and maintain a National Register of Historic Places composed of districts, sites, buildings, structures, and objects significant in American history, architecture, archeology, engineering, and culture.(Emphasis added)

Further, as a general rule, tax exemption statutes are strictly construed against the taxpayer. Owen Industrial Products, Inc. v. Sharpe, 274 S.C. 193, 262 S.E. 2d 33 (1980) Hollingsworth on Wheels, Inc. v. Greenville County Treasurer et al, 276 S.C. 314, 278 S.E. 2d 340 (1981). This rule of strict construction simply means that constitutional and statutory language will not be strained or liberally construed in the taxpayer's favor. York County Fair Association v. S.C. Tax Commission, 249 S.C. 337, 154 S.E. 2d 361 (1967).

Conclusion:

The exemption from the admissions tax at Code Section 12-21-2490(9) is on paid admissions to "districts, sites, buildings, structures and objects significant in American history, architecture, archeology, engineering and culture" and named to the National

Register of Historic Places. The fees in question are not for the purpose of viewing a building or object on the National Register of Historical Places. Therefore, fees to enter the State Museum are subject to the admissions tax.

SOUTH CAROLINA TAX COMMISSION

s/S. Hunter Howard, Jr.

S. Hunter Howard, Jr., Chairman

s/John M Rucker

John M. Rucker, Commissioner

s/A. Crawford Clarkson, Jr.

A. Crawford Clarkson, Jr., Commissioner

Columbia, South Carolina
June 23, 1988