



Doing Business in Beaufort, SC

All businesses operating in the City of Beaufort require a Business License. Before you get a license, you need to decide on your form of business. Most start-up businesses are either a Sole Proprietorship, a Partnership, or an LLC. If you choose to operate as an LLC, you will need to create Articles of Organization and register your business with the state. In addition to the annual costs of your business license and possible sales taxes, all businesses need to pay Business Personal Property Tax.

City of Beaufort Business License

You will need a business license from the City of Beaufort, which must be renewed each year. Annual cost is about .0026 of your previous year's gross revenue, but the first few years are discounted.

Cost: tech-related companies usually \$35 or \$45 for first year, due annually *see example chart

1. Complete Business License Application

Link to Application:

<https://sc-beaufort.civicplus.com/DocumentCenter/View/1211/Annual-Business-License-Application->

2. Proof of ownership of business (copy of Articles of Incorporation and/or Driver's License)
3. Business Personal Property Tax Form (BPP) is a tax on the furniture, fixtures, and equipment that are owned and used in a business. After you pay for your first year's taxes, you will be sent an annual tax bill each year. **Cost: varies, due annually**

Link to Form:

<https://sc-beaufort.civicplus.com/DocumentCenter/View/1212/Business-Personal-Property-Tax-Form->

4. South Carolina Retail Sales License (if you will be selling products), exemptions available, including for equipment used in R&D. **Cost: 6% sales tax on product sales**

Helpful Info

Questions: Justin Rose, Business License Inspector, jrose@cityofbeaufort.org 843-525-6526

The above completed forms can be emailed to: buslicense@cityofbeaufort.org

Initial payment by check: Business License, City of Beaufort 1911 Boundary St. Beaufort, SC 29902

Initial payment by card: please call Justin Rose, Business License Inspector, 843-525-6526

*example business license cost

		Scenario based on \$50k/year gross revenue:	Scenario based on \$1m/year gross revenue:
Rate Class 02A, AF (tech products/ software dev)	1 st Year Base Fee	\$ 35.00	\$ 35.00
	2 nd Year w/discount	\$ 61.30	\$ 546.90
	3 rd Year w/discount	\$ 74.45	\$ 855.36
	All subsequent years	\$ 100.76	\$1402.26
Rate Class 03A, AF (IT/web/ graphic services)	1 st Year Base Fee	\$ 45.00	\$ 45.00
	2 nd Year w/discount	\$ 79.37	\$ 759.57
	3 rd Year w/discount	\$ 96.55	\$1116.85
	All subsequent years	\$ 130.92	\$1831.42

General Information: <http://www.cityofbeaufort.org/231/Business-License>

South Carolina Business Registration

If you are operating as an LLC or a corporation, you must register your business with the state.

Different types of business require different Licenses, such as a SC Retail Sales License.

State Corporate Tax Rate: 5%, is one of lowest in southeast

State Sales Tax Rate: 6%, has a variety of exemptions including for equipment used in R&D

Cost: \$110 one-time filing fee

Link to Registration: <https://dor.sc.gov/tax/registration>

General Information: <https://dor.sc.gov/tax/registration/general-information>

Federal Tax ID or EIN

This unique identification number is used for taxes and other business purposes. If you do not get a Federal Tax ID, you will have to use your social security number for identification of your business.

Cost: no charge

Link to Application:

<https://www.irs.gov/businesses/small-businesses-self-employed/apply-for-an-employer-identification-number-ein-online>

General Information:

<https://www.irs.gov/businesses/small-businesses-self-employed/starting-a-business>

Incentives

Job Tax Credit

- Up to \$1,500/new employee/job (2017 rate)
- Credit against corporate income taxes
- Can eliminate up to 50% of company's tax liability

Economic Impact Zone Investment Credit

- One-time credit up to 5% of investment in new production equipment
- Actual value depends on depreciation under standard IRS rules

Corporate Headquarters Credit

- Applies to establishing, relocating or expanding a corporate HQ in SC
- 20% credit based on portion of facility dedicated to HQ or direct lease costs for first 5 years
- Can be applied either against income tax or license fees
- No cap on limit against income taxes; potential to eliminate corp income taxes up to 10 years
- Eligibility determined by meeting a number of specific criteria

R&D Tax Credit

- 5% of qualified research expenses in the state
- "Qualified" as defined under Section 41 of the IRS tax code, same rules as Federal
- Capped at 50% of tax liability after other credits are taken
- Can carry forward up to 10 years

Nurturing Beaufort's Technology Entrepreneurs

We, at the Beaufort Digital Corridor, are happy to help and/or connect you with someone who can help your tech-related business startup needs.

Electronic copy available for download here:

