

1974 WL 27866 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

July 22, 1974

\*1 Mr. Cody Owens  
Office of Mayor  
P. O. Box 335  
Whitmire, S. C. 29178

Dear Mr. Owens:

In your letter of May 23, 1974, you asked whether the Town of Whitmire may compute the entire gross receipts of a local contractor, with his office in Whitmire but doing business throughout the State, for the purpose of setting his license fee.

The authority of municipalities to require by ordinance the payment of a reasonable sum as a license to engage in an occupation is set forth in Section 47-271 of the S. C. Code. It appears clear that a business is not required to conduct all of its transactions within the municipal limits before being subjected to a business license tax scaled on its entire gross receipts. In a leading case, [Triplett v. City of Chester](#), 209 S. C. 455, 40 S.E.2d 604, the plaintiff carried on construction work throughout the State except in the City of Chester where he maintained his office, kept his books, records, etc. The City of Chester had a graduated license fee based on entire gross receipts and very similar to that described in your letter. We brought an action to recover the Chester business license tax which he paid under protest, and the Court held that he was liable for the tax as a municipal corporation has the right to impose a license tax for conducting business within its limits, even though a portion of the business was carried on outside the municipality. The Court in [Triplett](#) refused to dissociate the managerial features of the business which were conducted within Chester from the manual execution of the work.

Therefore, under the authority of S. C. Code 5 47-471 and the clarification thereof provided by [Triplett v. City of Chester](#), you are correct in computing the license tax for contractors in the manner described in your letter.

Sincerely,

Jim Carner  
Law Clerk

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