

# **Bond Case Briefs**

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## **TAX - SOUTH CAROLINA**

### **Olds v. City of Goose Creek**

**Supreme Court of South Carolina - August 8, 2018 - S.E.2d - 2018 WL 3749764**

Taxpayer appealed decision of city council regarding computation of gross income under business license tax ordinance, and further asserted claims against city for violation of equal protection, violation of procedural due process, abuse of process, violations of state and federal constitutions, and violation of the South Carolina Freedom of Information Act, against city administrator and city finance director for conspiracy, and against city's department of public works for breach of contract.

The Circuit Court affirmed the city council's decision regarding the meaning of gross income under city ordinance, and granted city summary judgment on taxpayer's other claims. Taxpayer appealed. The Court of Appeals affirmed. Taxpayer petitioned for writ of certiorari.

The Supreme Court of South Carolina held that city erroneously required taxpayer's business license fee to be calculated on "gross receipts"/"sales price" derived from his dealings in property, rather than a properly calculated "gross income."

While city was permitted by statute to levy a business license tax on gross income, the city ordinance went from broadly defining gross income as the "total revenue of a business" to narrowly mandating that the gross income figure reported to city conform to the gross income reported to the State Tax Commission, which, under the federal tax code would be defined as gains derived from dealings in property.