

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 615
Committee Substitute Favorable 5/9/89

Short Title: Southport Occupancy Tax.

(Local)

Sponsors:

Referred to:

March 15, 1989

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CITY OF SOUTHPORT TO LEVY A ROOM
OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

Section 1. Occupancy tax. (a) Authorization and scope. The Southport Board of Aldermen may by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto, levy a room occupancy tax of no more than three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the City of Southport that is subject to sales tax imposed by the State under G.S. 105-164.4(3) and on the rental of all private residences and cottages, regardless whether the residence or cottage is rented for less than 15 days. This tax is in addition to any State or local sales tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations.

(b) Collection. Every operator of a business subject to the tax levied under this section shall, on and after the effective date of the levy of the tax, collect the tax. This tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the operator of the business as trustee for and on account of the city. The tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The city shall design, print, and furnish to all appropriate businesses and persons in the city the necessary forms for filing returns and instructions to ensure the full collection of the tax.

1 (c) Administration. The city shall administer a tax levied under this section. A
2 tax levied under this section is due and payable to the Southport tax collector in monthly
3 installments on or before the 15th day of the month following the month in which the
4 tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or
5 before the 15th day of each month, prepare and render a return on a form prescribed by
6 the city. The return shall state the total gross receipts derived in the preceding month
7 from rentals upon which the tax is levied. A return filed with the tax collector under
8 this section is not a public record as defined by G.S. 132-1 and may not be disclosed
9 except as required by law.

10 The tax collector may collect any unpaid taxes levied under this act through
11 the use of attachment and garnishment proceedings as provided in G.S. 105-368 for
12 collection of property taxes. The tax collector has the same enforcement powers
13 concerning the tax imposed by this act as does the Secretary of Revenue in enforcing
14 the State sales tax under G.S. 105-164.30.

15 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
16 file the return required by this section shall pay a penalty of ten dollars (\$10.00) for
17 each day's omission. In case of failure or refusal to file the return or pay the tax for a
18 period of 30 days after the time required for filing the return or for paying the tax, there
19 shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to
20 any other penalty, with an additional tax of five percent (5%) for each additional month
21 or fraction thereof until the tax is paid.

22 Any person who willfully attempts in any manner to evade a tax imposed
23 under this section or who willfully fails to pay the tax or make and file a return shall, in
24 addition to all other penalties provided by law, be guilty of a misdemeanor and shall be
25 punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to
26 exceed six months, or both. The Southport Board of Aldermen may, for good cause
27 shown, compromise or forgive the penalties imposed by this subsection.

28 (e) Distribution and use of tax revenue. The tax collector shall remit the
29 proceeds of this tax to the city on a monthly basis. The funds received by the city
30 pursuant to this act shall be used to promote tourism and economic development, for
31 waterfront development, and for other public purposes.

32 (f) Effective date of levy. A tax levied under this section shall become
33 effective on the date specified in the resolution levying the tax. That date must be the
34 first day of a calendar month, however, and may not be earlier than two weeks after the
35 date the resolution is adopted.

36 (g) Repeal. A tax levied under this section may be repealed by a resolution
37 adopted by the Southport Board of Aldermen. Repeal of a tax levied under this section
38 shall become effective on the first day of a month and may not become effective until
39 the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax
40 levied under this section does not affect a liability for a tax that was attached before the
41 effective date of the repeal, nor does it affect a right to a refund of a tax that accrued
42 before the effective date of the repeal.

43 Sec. 2. This act is effective upon ratification.