

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 1588  
Second Edition Engrossed 7/3/90  
House Committee Substitute Favorable 7/17/90

Short Title: Simplify Restaurant License Tax.

(Public)

Sponsors:

Referred to:

June 6, 1990

A BILL TO BE ENTITLED

AN ACT TO SIMPLIFY THE PRIVILEGE LICENSE TAX ON RESTAURANTS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-62 reads as rewritten:

**"§ 105-62. Restaurants.**

(a) Every person, firm, or corporation engaged in the business of operating a restaurant, cafe, cafeteria, ~~hotel,~~ hotel with dining service on the European plan, drugstore, or other place where prepared food is ~~sold,~~ sold shall apply for and procure from the Secretary of Revenue a State license for the privilege of ~~transacting such business.~~ engaging in the business. The tax for ~~such~~ the license shall be based on the ~~number of persons provided with chairs, stools, or benches, and shall be one dollar (\$1.00) per person, with a minimum tax of fifty dollars (\$50.00).~~ is fifty dollars (\$50.00) for a business that has no seating capacity for customers who purchase the food or seating capacity for no more than four customers and is eighty-five dollars (\$85.00) for a business that has seating capacity for at least five customers who purchase the food. ~~Provided, that the~~ The tax levied in this subsection ~~shall~~ does not apply to industrial plants maintaining a nonprofit restaurant, ~~cafe~~ cafe, or cafeteria solely for the convenience of its employees. ~~Provided further,~~ In addition, a person, firm, or corporation required to be licensed under this section is not required to procure the license under G.S. 105-102.5 for the same location.

(b) Repealed by Session Laws 1979, c. 150, s. 2.

1       (c)     Counties, cities and towns shall not levy any license tax on the business taxed  
2 or any business exempted under this section, except that cities and towns may levy a  
3 license tax not in excess of one half of the ~~base~~-tax levied by the State.

4       (d)     No tax shall be levied under this section, for the privilege of operating  
5 vending machines or the sale of any commodity through such machines, against any  
6 vending machine operator, licensed under G.S. 105-65.1 and required thereby to pay a  
7 gross receipts tax.”

8             Sec. 2. This act shall become effective July 1, 1991.