

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 340

Short Title: Increase Currituck Occupancy Tax.

(Local)

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Sponsors: Representatives James and Thompson.

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Referred to: Finance.

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March 26, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE CURRITUCK COUNTY TO LEVY AN ADDITIONAL  
ONE PERCENT OCCUPANCY TAX AND TO USE THE PROCEEDS OF THE  
ADDITIONAL TAX FOR THE CURRITUCK WILDLIFE MUSEUM.

The General Assembly of North Carolina enacts:

Section 1. Section 1 of Chapter 209 of the 1987 Session Laws reads as  
rewritten:

"Section 1. Occupancy tax. (a) Authorization and scope. The Currituck  
County Board of Commissioners 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  
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  
county that is subject to sales tax imposed by the State under G.S. 105-164.4(3), or from  
the rental of a campsite within the county. 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 when furnished in furtherance of their nonprofit  
purpose.

(a1) Additional occupancy tax. In addition to the tax authorized by subsection (a)  
of this section, the Currituck County Board of Commissioners may levy a room  
occupancy tax of one percent (1%) of the gross receipts derived from the rental of  
accommodations taxable under subsection (a). The levy, collection, administration, and  
repeal of the tax authorized by this subsection shall be in accordance with the provisions  
of this act. Currituck County may not levy a tax under this subsection unless it also  
levies the tax under subsection (a).

1 (b) Collection. Every operator of a business subject to the tax levied under this  
2 section shall, on and after the effective date of the levy of the tax, collect the tax. This  
3 tax shall be collected as part of the charge for furnishing a taxable accommodation. The  
4 tax shall be stated and charged separately from the sales records, and shall be paid by  
5 the purchaser to the operator of the business as trustee for and on account of the county.  
6 The tax shall be added to the sales price and shall be passed on to the purchaser instead  
7 of being borne by the operator of the business. The Currituck County Tax Collector  
8 shall design, print, and furnish to all appropriate businesses and persons in the county  
9 the necessary forms for filing returns and instructions to ensure the full collection of the  
10 tax. An operator of a business who collects the occupancy tax levied under this section  
11 may deduct from the amount remitted to the county a discount of three percent (3%) of  
12 the amount collected.

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

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

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

35 (e) Use of tax revenue. Currituck County shall use at least seventy-five percent  
36 (75%) of the net proceeds of the tax levied under subsection (a) of this section only for  
37 tourist related purposes, including construction and maintenance of public facilities and  
38 buildings, garbage, refuse, and solid waste collection and disposal, police protection,  
39 and emergency services. The remainder of the net proceeds of the tax levied under  
40 subsection (a) shall be deposited in the Currituck County General Fund and may be used  
41 for any lawful purpose. Currituck County may use the net proceeds of the tax levied  
42 under subsection (a1) of this section only for capital costs, operation, and maintenance  
43 of the Currituck Wildlife Museum. As used in this subsection, 'net proceeds' means

1 gross proceeds less the cost to the county of administering and collecting the tax, as  
2 determined by the finance officer.

3 (f) Effective date of levy. A tax levied under this section shall become effective  
4 on the date specified in the resolution levying the tax. That date must be the first day of  
5 a calendar month, however, and may not be earlier than the first day of the second  
6 month after the date the resolution is adopted.

7 (g) Repeal. A tax levied under this section may be repealed by a resolution  
8 adopted by the Currituck County Board of Commissioners. Repeal of a tax levied under  
9 this section shall become effective on the first day of a month and may not become  
10 effective until the end of the fiscal year in which the repeal resolution was adopted.  
11 Repeal of a tax levied under this section does not affect a liability for a tax that was  
12 attached before the effective date of the repeal, nor does it affect a right to a refund of a  
13 tax that accrued before the effective date of the repeal."

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