

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 779

Short Title: Person Occupancy Tax.

(Local)

Sponsors: Representative Wilkins.

Referred to: Ways and Means, if favorable, Finance.

April 3, 1997

A BILL TO BE ENTITLED

**AN ACT TO AUTHORIZE PERSON COUNTY 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 Person County Board of Commissioners may levy a room occupancy tax of up to five percent (5%) of the gross receipts derived from the rental of any room, lodging, or accommodation furnished by a hotel, motel, inn, tourist camp, or similar place within the county that is subject to sales tax imposed by the State under G.S. 105-164.4(a)(3). Before a tax may be enacted pursuant to this section, Person County and the City of Roxboro must enter into an interlocal agreement pursuant to Article 20 of Chapter 160A of the General Statutes. The agreement shall contain, at the minimum, the rate of tax to be levied. The board of commissioners may levy the tax at a rate no greater than that agreed upon in the interlocal agreement. The county and the city may modify the rate agreed upon in the interlocal agreement from time to time.

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.

(b) Administration. Except as otherwise provided in this section, a tax levied under this section shall be levied, administered, collected, and repealed as

1 provided in G.S. 153A-155. The penalties provided in G.S. 153A-155 apply to a tax
2 levied under this section.

3 (c) Distribution and use of tax revenue. Person County shall, on a monthly
4 basis, remit twenty-five percent (25%) of the net proceeds of the occupancy tax to the
5 City of Roxboro. The city may use the funds remitted to it pursuant to this subsection
6 only for projects related to one or more of the following: travel and tourism, parks and
7 recreation, economic development, and community development.

8 Person County may use twenty-five percent (25%) of the net proceeds of the
9 occupancy tax only for projects related to one or more of the following: travel and
10 tourism, parks and recreation, economic development, and community development.

11 Person County may use the remaining fifty percent (50%) of the net proceeds
12 of the tax only for tourism-related expenditures agreed to by the county and the City of
13 Roxboro by interlocal agreement entered into pursuant to Article 20 of Chapter 160A of
14 the General Statutes.

15 The following definitions apply in this subsection:

16 (1) Net proceeds. – Gross proceeds less the cost to the county of
17 administering and collecting the tax, as determined by the finance
18 officer, not to exceed seven percent (7%) of the gross proceeds.

19 (2) Tourism-related expenditures. – Expenditures that are designed to
20 increase the use of lodging facilities in a county or to attract tourists or
21 business travelers to the county. The term includes expenditures to
22 construct, maintain, operate, or market a convention or meeting facility,
23 a visitors' center, a museum, or a coliseum and other expenditures that,
24 in the judgment of the city and county, will facilitate and promote
25 tourism.

26 Section 2. (a) Article 7 of Chapter 153A of the General Statutes is amended by
27 adding a new section to read:

28 **"§ 153A-155. Uniform provisions for room occupancy taxes.**

29 (a) Scope. – This section applies only to counties the General Assembly has
30 authorized to levy room occupancy taxes.

31 (b) Levy. – A room occupancy tax may be levied only by resolution, after not less
32 than 10 days' public notice and after a public hearing held pursuant thereto. A room
33 occupancy tax shall become effective on the date specified in the resolution levying the
34 tax. That date must be the first day of a calendar month, however, and may not be earlier
35 than the first day of the second month after the date the resolution is adopted.

36 (c) Collection. – Every operator of a business subject to a room occupancy tax
37 shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall
38 be collected as part of the charge for furnishing a taxable accommodation. The tax shall
39 be stated and charged separately from the sales records, and shall be paid by the
40 purchaser to the operator of the business as trustee for and on account of the taxing
41 county. The tax shall be added to the sales price and shall be passed on to the purchaser
42 instead of being borne by the operator of the business. The taxing county shall design,
43 print, and furnish to all appropriate businesses and persons in the county the necessary

1 forms for filing returns and instructions to ensure the full collection of the tax. An
2 operator of a business who collects a room occupancy tax may deduct from the amount
3 remitted to the taxing county a discount equal to the discount the State allows the
4 operator for State sales and use tax.

5 (d) Administration. – The taxing county shall administer a room occupancy tax it
6 levies. A room occupancy tax is due and payable to the county finance officer in
7 monthly installments on or before the 15th day of the month following the month in
8 which the tax accrues. Every person, firm, corporation, or association liable for the tax
9 shall, on or before the 15th day of each month, prepare and render a return on a form
10 prescribed by the taxing county. The return shall state the total gross receipts derived in
11 the preceding month from rentals upon which the tax is levied. A room occupancy tax
12 return filed with the county finance officer is not a public record and may not be
13 disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

14 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to
15 file a room occupancy tax return or pay a room occupancy tax as required by law is
16 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a
17 return for State sales and use taxes. The governing board of the taxing county has the
18 same authority to waive the penalties for a room occupancy tax that the Secretary of
19 Revenue has to waive the penalties for State sales and use taxes.

20 (f) Repeal or reduction. – A room occupancy tax levied by a county may be
21 repealed or reduced by a resolution adopted by the governing body of the county. Repeal
22 or reduction of a room occupancy tax shall become effective on the first day of a month
23 and may not become effective until the end of the fiscal year in which the resolution was
24 adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax
25 that was attached before the effective date of the repeal or reduction, nor does it affect a
26 right to a refund of a tax that accrued before the effective date of the repeal or reduction."

27 (b) This section applies only to Person County.

28 Section 3. This act is effective when it becomes law.