

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 114
Committee Substitute Favorable 6/17/93

Short Title: Lincoln Occupancy Tax.

(Local)

Sponsors:

Referred to:

February 10, 1993

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE LINCOLN COUNTY TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX AND TO SET THE MAXIMUM COMBINED CITY AND COUNTY ROOM OCCUPANCY TAX RATE FOR LINCOLN COUNTY AND THE CITIES AND TOWNS LOCATED IN LINCOLN COUNTY.

The General Assembly of North Carolina enacts:

Section 1. Occupancy tax.

(a) Authorization and Scope.

The Lincoln 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 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). 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. The combined occupancy tax rates for Lincoln County and any city or town that is located in Lincoln County and is authorized to levy a room occupancy tax may not exceed six percent (6%).

(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

1 stated and charged separately from the sales records, and shall be paid by the purchaser
2 to the operator of the business as trustee for and on account of the county. The tax shall
3 be added to the sales price and shall be passed on to the purchaser instead of being
4 borne by the operator of the business. The county shall design, print, and furnish to all
5 appropriate businesses and persons in the county the necessary forms for filing returns
6 and instructions to ensure the full collection of the tax.

7 (c) Administration.

8 The county shall administer a tax levied under this section. A tax levied
9 under this section is due and payable to the county finance officer in monthly
10 installments on or before the fifteenth day of the month following the month in which
11 the tax accrues. Every person, firm, corporation, or association liable for the tax shall,
12 on or before the fifteenth day of each month, prepare and render a return on a form
13 prescribed by the county. The return shall state the total gross receipts derived in the
14 preceding month from rentals upon which the tax is levied.

15 A return filed with the county finance officer under this section is not a public
16 record as defined by G.S. 132-1 and may not be disclosed except as required by law.

17 (d) Penalties.

18 A person, firm, corporation, or association who fails or refuses to file the
19 return required by this section is subject to the civil and criminal penalties set by G.S.
20 105-236 for failure to pay or file a return for State sales and use taxes. The board of
21 commissioners has the same authority to waive the penalties for a room occupancy tax
22 that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

23 (e) Use of Tax Revenue.

24 Lincoln County shall use at least two-thirds of the proceeds of the tax revenue
25 to promote travel and tourism and shall use the remaining tax proceeds for tourism-
26 related expenditures. The term "promote travel and tourism" means to advertise or
27 market an area or activity, publish and distribute pamphlets and other materials, conduct
28 market research, or engage in similar promotional activities that attract tourists or
29 business travelers to the county; the term includes administrative expenses incurred in
30 engaging in the listed activities. The term "tourism-related expenditures" means
31 expenditures that are designed to increase the use of lodging facilities in the county or to
32 attract tourists or business travelers to the county and expenditures by the county to
33 administer and collect the tax; it includes expenditures for the construction or
34 maintenance of a convention or meeting facility to be used primarily by individuals who
35 are not residents of the county and for the construction or maintenance of a coliseum or
36 visitors' center, but does not include other capital expenditures.

37 (f) Effective Date of Levy.

38 A tax levied under this section shall become effective on the date specified in
39 the resolution levying the tax. That date must be the first day of a calendar month,
40 however, and may not be earlier than the first day of the second month after the date the
41 resolution is adopted.

42 (g) Repeal.

43 A tax levied under this section may be repealed by a resolution adopted by
44 the Lincoln County Board of Commissioners. Repeal of a tax levied under this section

1 shall become effective on the first day of a month and may not become effective until
2 the end of the fiscal year in which the repeal resolution was adopted. Repeal of a tax
3 levied under this section does not affect a liability for a tax that was attached before the
4 effective date of the repeal, nor does it affect a right to a refund of a tax that accrued
5 before the effective date of the repeal.

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