

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 649

Short Title: Thomasville Occupancy Tax.

(Local)

Sponsors: Representative Dockham.

Referred to: Finance.

March 29, 1993

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CITY OF THOMASVILLE 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 Thomasville City Council 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 at least three percent (3%) and not more than six percent (6%) 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 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.

(b) Collection. Every operator of a business subject to the tax levied under this section shall, on and after the effective date 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.

(c) Administration. The city shall administer a tax levied under this section. A tax levied under this section is due and payable to the city finance officer in monthly

1 installments on or before the 15th day of the month following the month in which the
2 tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or
3 before the 15th day of each month, prepare and render a return on a form prescribed by
4 the city. The return shall state the total gross receipts derived in the preceding month
5 from rentals upon which the tax is levied.

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

8 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
9 file the return required by this section shall pay a penalty of twenty-five dollars (\$25.00)
10 for each day's omission. In case of failure or refusal to file the return or pay the tax for
11 a period of 30 days after the time required for filing the return or for paying the tax,
12 there shall be an additional tax, as a penalty, of five percent (5%) of the tax due in
13 addition to any other penalty, with an additional tax of five percent (5%) for each
14 additional month or fraction thereof until the tax is paid. The city council may, for good
15 cause shown, compromise or forgive the tax penalties imposed by this subsection.

16 Any person who willfully attempts in any manner to evade a tax imposed
17 under this section or who willfully fails to pay the tax or make and file a return shall, in
18 addition to all other penalties provided by law, be guilty of a misdemeanor and shall be
19 punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to
20 exceed six months, or both.

21 (e) Distribution and Use of Tax Revenue. The City of Thomasville shall, on
22 a quarterly basis, remit the net proceeds of the occupancy tax to the Thomasville
23 Tourism Commission. As used in this subsection, "net proceeds" means gross proceeds
24 less five percent (5%) of the gross proceeds or the cost to the city of administering and
25 collecting the tax, whichever is greater. The Tourism Commission may spend funds
26 remitted to it under this subsection only to promote travel and tourism activities,
27 including administrative expenses related to tourism promotion, advertising,
28 publications, marketing, market research, and other promotional activities that enhance
29 the travel and tourism business in the City of Thomasville. The Tourism Commission
30 may not spend any of the funds for construction, improvement, or maintenance of real
31 property or for any other capital project except for a local visitors' center. The Tourism
32 Commission shall report at the close of the fiscal year to the City Council on its receipts
33 and expenditures for the preceding year in such detail as the council may require.

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

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

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