

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1544

Short Title: Lincoln Occupancy Tax.

(Local)

Sponsors: Representatives Gamble; and Dickson.

Referred to: Finance.

June 3, 1992

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE LINCOLN 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 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.

(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 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 county. 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 county shall design, print, and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax.

(c) Administration. The county shall administer a tax levied under this section. A tax levied under this section is due and payable to the county finance officer in monthly installments on or before the fifteenth day of the month following the month in

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

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

7 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
8 file the return required by this section shall pay a penalty of ten dollars (\$10.00) for
9 each day's omission. In case of failure or refusal to file the return or pay the tax for a
10 period of 30 days after the time required for filing the return or for paying the tax, there
11 shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to
12 any other penalty, with an additional tax of five percent (5%) for each additional month
13 or fraction thereof until the tax is paid. The board of commissioners may, for good
14 cause shown, compromise or forgive the penalties imposed by this subsection.

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

20 (e) Use of tax revenue. Lincoln County may use the proceeds of the
21 occupancy tax for any public purpose.

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

26 (g) Repeal. A tax levied under this section may be repealed by a resolution
27 adopted by the Lincoln County Board of Commissioners. Repeal of a tax levied under
28 this section shall become effective on the first day of a month and may not become
29 effective until the end of the fiscal year in which the repeal resolution was adopted.
30 Repeal of a tax levied under this section does not affect a liability for a tax that was
31 attached before the effective date of the repeal, nor does it affect a right to a refund of a
32 tax that accrued before the effective date of the repeal.

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