

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 758*
Committee Substitute Favorable 6/4/97

Short Title: Orange Admissions Tax.

(Local)

Sponsors:

Referred to:

April 2, 1997

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE ORANGE COUNTY TO LEVY AN ENTERTAINMENT
TAX ON EVENTS IN LARGE FACILITIES IN ORANGE COUNTY.

The General Assembly of North Carolina enacts:

Section 1. Admissions Tax.

(a) Authorization and Scope. Notwithstanding the provisions of G.S. 105-37.1(b), the Orange County Board of Commissioners may, by resolution, levy an entertainment tax on every admission ticket purchased for admission to an entertainment, an amusement, or an athletic or commercial event for which an admission is charged and which is presented in Orange County in a facility having a seating capacity greater than 15,000. This tax does not apply, however, to athletic events sponsored by the North Carolina High School Athletic Association that involve participants at or below high school level. The tax shall be at a rate of not more than one dollar (\$1.00) per admission ticket purchased. This tax is in addition to any other State or local tax.

(b) Collection. Every person, firm, corporation, or organization selling admission tickets taxable under this section shall collect the tax. This tax shall be collected at the same time as the charge for furnishing a taxable admission ticket and shall be paid by the purchaser to the seller of the admission ticket as trustee for and on account of Orange County. The tax shall be stated and charged separately from the sales price. The tax shall be added to the admission price and shall be passed on to the purchaser instead of being borne by the seller.

1 (c) Administration. Orange County shall administer a tax levied under
2 this section. A tax levied and collected under this section is due and payable to the
3 Orange County Director of Revenue on or before the 15th day of the month following
4 the month in which the tax accrues. Every person, firm, or corporation liable for the tax
5 shall, on or before the 15th day of each month, prepare and render a return on a form
6 prescribed by Orange County. The return shall state the total number of admissions
7 subject to the tax that were sold in the preceding month. A return filed with the Director
8 of Revenue under this section is not a public record and may not be disclosed except in
9 accordance with G.S. 153A-148.1 or G.S. 160A-208.1. Orange County may, by
10 resolution, establish additional procedures for collection, reporting, remittance, and use
11 of a tax levied under this section.

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

20 Any person who willfully attempts in any manner to evade a tax imposed
21 under this section or who willfully fails to pay the tax or make and file a return shall, in
22 addition to all other penalties provided by law, be guilty of a misdemeanor.

23 (e) Use and Distribution of Tax Revenue. The Board of Commissioners
24 of Orange County shall use the proceeds collected from this tax solely for capital
25 projects. The proceeds shall be placed in a Capital Reserve Fund to be expended only
26 for capital projects, including debt service for capital projects. All interest earned from
27 investment of the funds in the Capital Reserve Fund shall be held and expended only in
28 accordance with the provisions of this subsection.

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

33 (g) Repeal. A tax levied under this section may be repealed by a
34 resolution adopted by the Orange County Board of Commissioners. Repeal of a tax
35 levied under this section shall become effective on the first day of a month and may not
36 become effective until the end of the fiscal year in which the repeal resolution was
37 adopted. Repeal of a tax levied under this section does not affect liability for a tax, its
38 collection, or its payment to Orange County that was attached before the effective date
39 of the repeal, nor does it affect a right to a refund of a tax that accrued before the
40 effective date of the repeal.

41 Section 2. This act is effective when it becomes law.