

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 609

Short Title: High Point Occupancy Tax.

(Local)

Sponsors: Representatives Jarrell (By Request); Bowie, Gist, Jeffus, and Lineberry.

Referred to: Finance.

April 8, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE CITY OF HIGH POINT TO LEVY A ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

Section 1. Levy of Tax.

(a) The High Point City Council may, by resolution, after not less than 10 days' public notice and after a public hearing held pursuant thereto, levy a citywide room occupancy tax in addition to any other occupancy tax authorized for any county.

(b) Collection of the tax, and liability therefor, shall begin and continue only on and after the first day of a calendar month set by the city council in the resolution levying the tax which may in no case be earlier than the later of (i) November 1, 1991, or (ii) the first day of the second succeeding calendar month after the date the resolution is adopted.

Sec. 2. Occupancy Tax.

The city room occupancy tax that may be levied under this act shall be three percent (3%) of the gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by any hotel, motel, inn, tourism camp, or other similar place within the City of High Point that is subject to the three percent (3%) 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 or occupancy tax.

Sec. 3. Exemptions.

The tax authorized by this act does not apply to gross receipts derived by the following entities from accommodations furnished by them:

- (1) Religious organizations;

- 1           (2)    A business that offers to rent fewer than five units;  
2           (3)    Education organizations;  
3           (4)    Summer camps; and  
4           (5)    Charitable, benevolent, and other nonprofit organizations.

5           Sec. 4. Administration of Tax.

6           (a)    The City of High Point may contract with Guilford County and any other  
7 county within which a portion of the City of High Point lies to collect and administer a  
8 tax levied under this act. The tax is due and payable to the city in monthly installments  
9 on or before the fifteenth day of the month following the month in which the tax  
10 accrues. Every person, firm, corporation, or association liable for the tax shall, on or  
11 before the fifteenth day of each month, prepare and render a return on a form prescribed  
12 by the city. The return shall state the total gross receipts derived in the preceding month  
13 from rentals upon which the tax is levied.

14          (b)    A person, firm, corporation, or association who fails or refuses to file the  
15 return required by this act shall pay a penalty of ten dollars (\$10.00) for each day's  
16 omission. In case of failure or refusal to file the return or pay the tax for a period of 30  
17 days after the time required for filing the return or for paying the tax, there shall be an  
18 additional tax, as a penalty, of five percent (5%) of the tax due, in addition to any other  
19 penalty, with an additional tax of five percent (5%) for each additional month or  
20 fraction thereof until the occupancy tax is paid. The city council may, for good cause  
21 shown, compromise or forgive the additional tax penalties imposed by this subsection.

22          (c)    Any person who willfully attempts in any manner to evade the occupancy tax  
23 imposed under this act or who willfully fails to pay the tax or make and file a return  
24 shall, in addition to all other penalties provided by law, be guilty of a misdemeanor and  
25 shall be punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment  
26 not to exceed six months, or both.

27           Sec. 5. Collection of Tax.

28           Every operator of a business subject to the tax levied under this act shall, on  
29 and after the effective date of the levy of the tax, collect the tax. This tax shall be  
30 collected as part of the charge for furnishing a taxable accommodation. The tax shall be  
31 stated and charged separately from the sales records, and shall be paid by the purchaser  
32 to the operator of the business as trustee for and on account of the city. The tax shall be  
33 added to the sales price and shall be passed on to the purchaser instead of being borne  
34 by the operator of the business. The city shall design, print, and furnish to all  
35 appropriate businesses in the city the necessary forms for filing returns and instructions  
36 to ensure the full collection of the tax.

37           Sec. 6. Use of Tax Proceeds.

38           (a)    Of the net tax proceeds for the first six years that the tax is in effect, thirty-  
39 two percent (32%) shall be used for programs and activities to promote and encourage  
40 travel and tourism within the city. The city may contract with the High Point  
41 Convention and Visitors Bureau, or another nonprofit organization, to assist it in  
42 carrying out these purposes.

43           (b)    The remainder of the net tax proceeds for the first six years that the tax is in  
44 effect shall be used for economic development and tax base enhancement purposes,

1 which may include: expenditures for attraction of new businesses and industries;  
2 encouragement of existing businesses and industries; attraction of capital investments  
3 for businesses and industries; and constructing, renovating, developing, expanding,  
4 financing (including debt retirement), or acquiring facilities or improvements which  
5 enhance or facilitate economic development purposes, or which are for the safety and  
6 convenience of the public. The city may contract with the High Point Economic  
7 Development Corporation or another nonprofit organization to carry out these purposes.

8 (c) After the first six years that the tax is in effect, one-half of the net proceeds  
9 shall be used for the purposes provided in subsection (a) and one-half for the purposes  
10 provided in subsection (b).

11 (d) Proceeds of the tax shall be used for public purposes only, and any  
12 organizations to which the city appropriates funds pursuant to this act shall submit  
13 annually to the High Point City Council proposed budgets of projected expenditures and  
14 reports of the prior year's expenditures for approval.

15 Sec. 7. Repeal of Levy.

16 A tax levied under this act may be repealed by a resolution adopted by the  
17 High Point City Council. Repeal of a tax levied under this act shall become effective on  
18 the first day of a month and may not become effective until the end of the fiscal year in  
19 which the repeal resolution was adopted. Repeal of a tax levied under this act does not  
20 affect a liability for a tax that attached before the effective date of the repeal, nor does it  
21 affect a right to a refund of a tax that accrued before the effective date of the repeal.

22 Sec. 8. This act is effective upon ratification.