

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 810
Committee Substitute Favorable 4/21/97

Short Title: Nash Room Tax.

(Local)

Sponsors:

Referred to:

April 7, 1997

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE NASH COUNTY TO LEVY AN ADDITIONAL ROOM
3 OCCUPANCY AND TOURISM DEVELOPMENT TAX.

4 The General Assembly of North Carolina enacts:

5 Section 1. Nash Occupancy Tax. Section 1 of Chapter 32 of the 1987 Session
6 Laws, as amended by Chapter 545 of the 1993 Session Laws, reads as rewritten:

7 "Section 1. Occupancy tax. (a) Authorization and scope. The Nash County
8 Board of Commissioners may ~~by resolution, after not less than ten (10) days' public notice and~~
9 ~~after a public hearing held pursuant thereto,~~ levy a room occupancy tax of three percent (3%)
10 of the gross receipts derived from the rental of any room, lodging, or similar
11 accommodation furnished by a hotel, motel, inn, or similar place within the county that is
12 subject to sales tax imposed by the State under G.S. ~~405-164.4(3).~~ 105-164.4(a)(3). This
13 tax is in addition to any State or local sales tax. This tax does not apply to
14 accommodations furnished by nonprofit charitable, educational, or religious
15 organizations.

16 (a1) Authorization of Additional Tax. In addition to the tax authorized by
17 subsection (a) of this section, the Nash County Board of Commissioners may levy an
18 additional room occupancy tax of up to three percent (3%) of the gross receipts derived
19 from the rental of accommodations taxable under subsection (a). The levy, collection,

1 administration, and repeal of the tax authorized by this subsection shall be in accordance
2 with the provisions of this section. Nash County may not levy a tax under this subsection
3 unless it also levies the tax authorized under subsection (a) of this section.

4 (b) Administration. A tax levied under this section shall be levied, administered,
5 collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S.
6 153A-155 apply to a tax levied under this section.

7 Collection. Every operator of a business subject to the tax levied under this act shall, on
8 and after the effective date of the levy of the tax, collect the tax. This tax shall be
9 collected as part of the charge for furnishing a taxable accommodation. The tax shall be
10 stated and charged separately from the sales records, and shall be paid by the purchaser to
11 the operator of the business as trustee for and on account of the county. The tax shall be
12 added to the sales price and shall be passed on to the purchaser instead of being borne by
13 the operator of the business. The county shall design, print, and furnish to all appropriate
14 businesses and persons in the county the necessary forms for filing returns and
15 instructions to ensure the full collection of the tax. An operator of a business who
16 collects the occupancy tax levied under this act may deduct from the amount remitted to
17 the county a discount equal to the discount the State allows the operator for collecting
18 State sales and use taxes.

19 (e) Administration. The county shall administer a tax levied under this act. A tax
20 levied under this act is due and payable to the county finance officer in monthly
21 installments on or before the 15th day of the month following the month in which the tax
22 accrues. Every person, firm, corporation, or association liable for the tax shall, on or
23 before the 15th day of each month, prepare and render a return on a form prescribed by
24 the county. The return shall state the total gross receipts derived in the preceding month
25 from rentals upon which the tax is levied.

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

28 (d) Penalties. A person, firm, corporation, or association who fails or refuses to
29 file the return required by this act is subject to the civil and criminal penalties set by G.S.
30 105-236 for failure to pay or file a return for State sales and use taxes. The Board of
31 Commissioners has the same authority to waive the penalties for a room occupancy tax
32 that the Secretary of Revenue has to waive the penalties for State sales and use taxes.

33 (e) Distribution and use of tax revenue. Nash County shall, on a quarterly basis,
34 remit the net proceeds of the occupancy tax to the Nash Tourism Development Authority.
35 The Authority shall spend at least two-thirds of the funds remitted to it under this
36 subsection only to promote travel and tourism in Nash County, and shall spend the
37 remainder on tourism-related expenditures. The following definitions apply in this
38 subsection:

- 39 (1) Net proceeds. – Gross proceeds less the cost to the county of
40 administering and collecting the tax, as determined by the finance
41 officer, not to exceed seven percent (7%) of the amount collected.
- 42 (2) Promote travel and tourism. – To advertise or market an area or activity,
43 publish and distribute pamphlets and other materials, conduct market

1 research, or engage in similar promotional activities that attract tourists
2 or business travelers to the area; the term includes administrative
3 expenses incurred in engaging in the listed activities.

- 4 (3) Tourism-related expenditures. – Expenditures that are designed to
5 increase the use of lodging facilities in a county or to attract tourists or
6 business travelers to the county and expenditures incurred by the county
7 in collecting the tax. The term includes expenditures to construct,
8 maintain, operate, or market a convention center and other expenditures
9 that, in the judgment of the Authority, will facilitate and support
10 tourism.

11 ~~(f) Effective date of levy. – A tax levied under this act shall become effective on~~
12 ~~the date specified in the resolution levying the tax. That date must be the first day of a~~
13 ~~calendar month, however, and may not be earlier than the first day of the second month~~
14 ~~after the date the resolution is adopted.~~

15 ~~(g) Repeal. – A tax levied under this act may be repealed by a resolution adopted by~~
16 ~~the Nash County Board of Commissioners. Repeal of a tax levied under this act does not~~
17 ~~affect a liability for a tax that was attached before the effective date of the repeal, nor~~
18 ~~does it affect a right to a refund of a tax that accrued before the effective date of the~~
19 ~~repeal."~~

20 Section 2. County administrative provisions. (a) Article 7 of Chapter 153A of the
21 General Statutes is amended by adding a new section to read:

22 **"§ 153A-155. Uniform provisions for room occupancy taxes.**

23 (a) Scope. – This section applies only to counties the General Assembly has
24 authorized to levy room occupancy taxes.

25 (b) Levy. – A room occupancy tax may be levied only by resolution, after not less
26 than 10 days' public notice and after a public hearing held pursuant thereto. A room
27 occupancy tax shall become effective on the date specified in the resolution levying the
28 tax. That date must be the first day of a calendar month, however, and may not be earlier
29 than the first day of the second month after the date the resolution is adopted.

30 (c) Collection. – Every operator of a business subject to a room occupancy tax
31 shall, on and after the effective date of the levy of the tax, collect the tax. The tax shall
32 be collected as part of the charge for furnishing a taxable accommodation. The tax shall
33 be stated and charged separately from the sales records, and shall be paid by the
34 purchaser to the operator of the business as trustee for and on account of the taxing
35 county. The tax shall be added to the sales price and shall be passed on to the purchaser
36 instead of being borne by the operator of the business. The taxing county shall design,
37 print, and furnish to all appropriate businesses and persons in the county the necessary
38 forms for filing returns and instructions to ensure the full collection of the tax. An
39 operator of a business who collects a room occupancy tax may deduct from the amount
40 remitted to the taxing county a discount equal to the discount the State allows the
41 operator for State sales and use tax.

42 (d) Administration. – The taxing county shall administer a room occupancy tax it
43 levies. A room occupancy tax is due and payable to the county finance officer in

1 monthly installments on or before the 15th day of the month following the month in
2 which the tax accrues. Every person, firm, corporation, or association liable for the tax
3 shall, on or before the 15th day of each month, prepare and render a return on a form
4 prescribed by the taxing county. The return shall state the total gross receipts derived in
5 the preceding month from rentals upon which the tax is levied. A room occupancy tax
6 return filed with the county finance officer is not a public record and may not be
7 disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

8 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to
9 file a room occupancy tax return or pay a room occupancy tax as required by law is
10 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a
11 return for State sales and use taxes. The governing board of the taxing county has the
12 same authority to waive the penalties for a room occupancy tax that the Secretary of
13 Revenue has to waive the penalties for State sales and use taxes.

14 (f) Repeal or reduction. – A room occupancy tax levied by a county may be
15 repealed or reduced by a resolution adopted by the governing body of the county. Repeal
16 or reduction of a room occupancy tax shall become effective on the first day of a month
17 and may not become effective until the end of the fiscal year in which the resolution was
18 adopted. Repeal or reduction of a room occupancy tax does not affect a liability for a tax
19 that was attached before the effective date of the repeal or reduction, nor does it affect a
20 right to a refund of a tax that accrued before the effective date of the repeal or reduction."

21 (b) This section applies only to Nash County.

22 Section 3. This act is effective when it becomes law.