

GENERAL ASSEMBLY OF NORTH CAROLINA
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HOUSE DRH40200-SV-6C* (02/04)

Short Title: Simplify OT Collection by Intermediaries. (Public)

Sponsors: Representatives Howard and Setzer (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT TO SIMPLIFY THE REPORTING AND REMITTANCE REQUIREMENTS FOR
3 SALES TAX AND OCCUPANCY TAX ON ACCOMMODATIONS RENTED
4 THROUGH INTERMEDIARIES.

5 The General Assembly of North Carolina enacts:

6 SECTION 1. G.S. 105-164.4F reads as rewritten:

7 "§ 105-164.4F. Accommodation rentals, charges.

8 (a) ~~Definition.~~ Definitions. – The following definitions apply in this section:

9 (1) Accommodation. – A hotel room, a motel room, ~~a residence, a cottage, a~~
10 residence or a cottage, or any part thereof, or a similar lodging facility for
11 occupancy by an individual.

12 (2) ~~Facilitator.~~ – ~~A person who is not a rental agent and who contracts with a~~
13 ~~provider of an accommodation to market the accommodation and to accept~~
14 ~~payment from the consumer for the accommodation.~~ Accommodation charge.
15 – The sales price of or gross receipts derived from an accommodation,
16 including any accommodation intermediary fee, excluding sales and use tax
17 and local occupancy tax.

18 (3) ~~Rental agent.~~ – ~~The term includes a real estate broker, as defined in~~
19 ~~G.S. 93A-2.~~ Accommodation intermediary. – A person, other than an
20 accommodation provider, that charges or facilitates an accommodation
21 charge. An accommodation intermediary includes a rental agent, an online
22 travel company, or a short-term rental listing service as defined in
23 G.S. 66-450. An accommodation intermediary does not include a third party
24 or affiliate that collects or processes, on behalf of an accommodation
25 intermediary, a payment for an accommodation charge.

26 (4) Accommodation intermediary fee. – A fee, by whatever name called, for an
27 accommodation that is in excess of the discount accommodation charge. It
28 does not include any commission paid by an accommodation provider to an
29 accommodation intermediary that is not included in the accommodation
30 charge.

31 (5) Accommodation provider. – A person that furnishes an accommodation for
32 compensation. The term "furnishes" includes the sale, use, or possession or
33 the right to use or possess.

34 (6) Discount accommodation charge. – The amount charged by an
35 accommodation provider to an accommodation intermediary, excluding sales
36 and use tax or local occupancy tax.



- 1 (7) Local occupancy tax. – A tax imposed on an accommodation charge by the
2 governing board of a taxing district pursuant to a local act.
- 3 (8) Net proceeds. – As defined in G.S. 105-472(a), except that when the term is
4 used in reference to local occupancy tax, the term "county" is substituted
5 with the term "taxing district."
- 6 (9) Taxing district. – A county, city, or other taxing district authorized to levy a
7 local occupancy tax pursuant to a local act.

8 (b) Sales Tax. – ~~The gross receipts derived from the rental of an~~ An accommodation
9 arecharge is taxed at the general rate set in G.S. 105-164.4. ~~Gross receipts derived from the~~
10 ~~rental of an accommodation include the sales price of the rental of the accommodation. The~~
11 ~~sales price of the rental of an accommodation is determined as if the rental were a rental of~~
12 ~~tangible personal property. The sales price of the rental of an accommodation marketed by a~~
13 ~~facilitator includes charges designated as facilitation fees and any other charges necessary to~~
14 ~~complete the rental.~~ The tax is due and payable by the retailer in accordance with
15 G.S. 105-164.16. For purposes of the tax imposed by this section, the retailer is the applicable
16 person listed below:

- 17 (1) The accommodation provider, if the accommodation provider charges the
18 accommodation charge.
- 19 (2) The accommodation intermediary, if an accommodation intermediary
20 charges the accommodation charge.

21 (c) Facilitator Transactions. – ~~A facilitator must report to the retailer with whom it has a~~
22 ~~contract the sales price a consumer pays to the facilitator for an accommodation rental~~
23 ~~marketed by the facilitator. A retailer must notify a facilitator when an accommodation rental~~
24 ~~marketed by the facilitator is completed, and the facilitator must send the retailer the portion of~~
25 ~~the sales price the facilitator owes the retailer and the tax due on the sales price no later than 10~~
26 ~~days after the end of each calendar month. A facilitator that does not send the retailer the tax~~
27 ~~due on the sales price is liable for the amount of tax the facilitator fails to send. A facilitator is~~
28 ~~not liable for tax sent to a retailer but not remitted by the retailer to the Secretary. Tax~~
29 ~~payments received by a retailer from a facilitator are held in trust by the retailer for remittance~~
30 ~~to the Secretary. A retailer that receives a tax payment from a facilitator must remit the amount~~
31 ~~received to the Secretary. A retailer is not liable for tax due but not received from a facilitator.~~
32 The requirements imposed by this section on a retailer and a facilitator are considered terms of
33 the contract between the retailer and the facilitator. Local Occupancy Tax. – The sales price of
34 or the gross receipts derived from an accommodation charge are subject to local occupancy tax
35 if the taxing district in which the accommodation is located levies a local occupancy tax. The
36 taxes are due and payable by the retailer as follows:

- 37 (1) If the retailer is an accommodation provider, the local occupancy tax must
38 be remitted to the taxing district in accordance with G.S. 160A-215 or
39 G.S. 153A-155, as applicable.
- 40 (2) If the retailer is an accommodation intermediary, the local occupancy tax
41 must be remitted to the Secretary in accordance with G.S. 105-164.16,
42 except that references to "sales and use tax" or "sales tax" are substituted
43 with the term "local occupancy tax."

44 (d) Rental Agent. – ~~A person who, by written contract, agrees to be the rental agent for~~
45 ~~the provider of an accommodation is considered a retailer under this Article and is liable for the~~
46 ~~tax imposed by this section. The liability of a rental agent for the tax imposed by this section~~
47 ~~relieves the provider of the accommodation from liability.~~

48 (e) Exemptions. – The tax imposed by this section does not apply to the following:

- 49 (1) ~~A private residence, cottage, or similar accommodation that is rented~~
50 Accommodation charges for an accommodation for fewer than 15 days in a
51 calendar year other than a private residence, cottage, or similar an

1 accommodation listed with a real estate broker or agent an accommodation
2 intermediary.

3 (2) An accommodation ~~supplied~~ charge to the same person for a period of 90 or
4 more continuous days.

5 (3) An accommodation ~~arranged or provided~~ furnished to a person by a school,
6 camp, or similar entity where a tuition or fee is charged to the person for
7 enrollment in the school, camp, or similar entity.

8 (e) Liability. – The liability of an accommodation intermediary for the taxes imposed or
9 administered by this section relieves the accommodation provider from liability for those taxes.
10 However, nothing in this section relieves the accommodation provider from liability for tax due
11 on any charges made by the accommodation provider that are in addition to the accommodation
12 charge.

13 (f) Distribution. – The Secretary must distribute the net proceeds of the taxes imposed
14 or administered by this section as provided in this subsection. The General Assembly finds that
15 the revenue distributed under this section is local revenue, not a State expenditure, for the
16 purpose of Section 5(3) of Article III of the North Carolina Constitution. Therefore, the
17 Governor may not reduce or withhold the distribution. The net proceeds shall be distributed as
18 follows:

19 (1) The local sales and use tax must be distributed to the counties and cities in
20 accordance with Subchapter VIII of this Chapter.

21 (2) The local occupancy tax must be distributed, on a quarterly basis, to the
22 taxing districts. The governing board of a taxing district must distribute and
23 use the net proceeds of the local occupancy tax in accordance with the local
24 act authorizing the distribution and use of the local occupancy tax. To the
25 extent this subdivision conflicts with any provision of a local act, this
26 subdivision supersedes that provision.

27 (g) Publication of Local Occupancy Tax Rates. – A taxing district must provide to the
28 Secretary, by October 1 of each year, the local occupancy rate in that district beginning on the
29 following January 1. The Secretary must publish on its Web site a list of local occupancy tax
30 rates for each taxing district that reflects the local occupancy tax rate applicable to an
31 accommodation charge in each taxing district by December 1. A person who relies on the
32 information provided is not liable for underpayments of tax attributable to erroneous
33 information provided by the Secretary."

34 **SECTION 2.** G.S. 105-164.3(36) reads as rewritten:

35 "(36) Sale or selling. – The transfer for consideration of title, license to use or
36 consume, or possession of tangible personal property or digital ~~property or~~
37 ~~property,~~ the performance for consideration of a ~~service.~~ service, or the
38 furnishing of an accommodation. The transfer or performance may be
39 conditional or in any manner or by any means. The term includes the
40 following:

41 a. Fabrication of tangible personal property for consumers by persons
42 engaged in business who furnish either directly or indirectly the
43 materials used in the fabrication work.

44 b. Furnishing or preparing tangible personal property consumed on the
45 premises of the person furnishing or preparing the property or
46 consumed at the place at which the property is furnished or prepared.

47 c. A transaction in which the possession of the property is transferred
48 but the seller retains title or security for the payment of the
49 consideration.

50 d. A lease or rental.

51 e. Transfer of a digital code."

1 **SECTION 3.** G.S. 105-228.90(b)(7) reads as rewritten:

2 "(7) Tax. – A tax levied or administered under Subchapter I, V, or VIII of this
3 Chapter, the primary forest product assessment levied under Article 12 of
4 Chapter 113A of the General Statutes, or an inspection tax levied under
5 Article 3 of Chapter 119 of the General Statutes. Unless the context clearly
6 requires otherwise, the term "tax" includes penalties and interest as well as
7 the principal amount."

8 **SECTION 4.** G.S. 160A-215 reads as rewritten:

9 "**§ 160A-215. Uniform provisions for ~~room~~ local occupancy taxes.**

10 (a) ~~Scope. Authorization.~~ – ~~This section applies only to municipalities the~~ The General
11 Assembly ~~has authorized~~ may authorize a city to levy ~~room~~ a local occupancy taxes. ~~tax.~~ For
12 the purpose of this section, the term "city" means a municipality.

13 (b) Levy. – A ~~room~~ local occupancy tax may be levied only by resolution, after not less
14 than 10 days' public notice and after a public hearing held pursuant thereto. A ~~room~~ local
15 occupancy tax ~~shall become~~ becomes effective on the date specified in the resolution levying
16 the tax. ~~That date must be the first day of a calendar month, however, and may not be earlier~~
17 ~~than the first day of the second month~~ January 1 and the date may not be earlier than 90 days
18 after the date the resolution is adopted. Upon adoption of a resolution levying a local
19 occupancy tax, the governing board of the city must deliver a certified copy of the resolution to
20 the Secretary of Revenue within 10 days of the adoption of the resolution. As used in this
21 section, the term "levy" refers to the initial levy of a local occupancy tax or the increase of an
22 existing local occupancy tax.

23 (b1) Rate Change. – A city may only change the local occupancy tax rate, whether by
24 levy under subsection (b) of this section or by repeal or reduction under subsection (f) of this
25 section, once every two years.

26 (b2) Scope. – The local occupancy tax applies to the same sales price of or gross receipts
27 derived from an accommodation charge on which the State sales tax is imposed under Article 5
28 of Chapter 105 of the General Statutes.

29 If a taxable accommodation is furnished as part of a package, the bundled transaction
30 provisions in G.S. 105-164.4D apply in determining the sales price of the taxable
31 accommodation. If those provisions do not address the type of package offered, the person
32 offering the package may determine an allocated price for each item in the package based on a
33 reasonable allocation of revenue that is supported by the person's business records kept in the
34 ordinary course of business and calculate tax on the allocated price of the taxable
35 accommodation.

36 (c) ~~Collection.~~ Collection and Remittance. – A retailer who is required to remit to the
37 Department of Revenue the State sales tax imposed by G.S. 105-164.4(a)(3) on
38 accommodations collector of local occupancy tax is an accommodation provider or an
39 accommodation intermediary, as defined in G.S. 105-164.4F. A collector of local occupancy
40 tax has the same responsibility and liability for the local occupancy tax as the collector has
41 under the State sales tax on accommodation charges. The local occupancy tax must be
42 separately stated on the invoice or other documentation given to the purchaser and is held in
43 trust for and on account of the taxing city.

44 A collector of local occupancy tax is required to remit a ~~room~~ occupancy tax to the
45 taxing city on and after the effective date of the levy of the ~~room~~ occupancy tax. The ~~room~~
46 occupancy tax applies to the same gross receipts as the State sales tax on accommodations and
47 is calculated in the same manner as that tax. tax as provided in this subsection. A return must be
48 filed with the appropriate entity on a form and in the manner prescribed by the entity. The
49 entity to which the local occupancy tax is remitted is as follows:

50 (1) If the collector of local occupancy tax is an accommodation provider, the
51 local occupancy tax must be remitted to the taxing city.

1 (2) If the collector of local occupancy tax is an accommodation intermediary,
2 the local occupancy tax must be remitted to the Department of Revenue.

3 ~~A rental agent or a facilitator, as defined in G.S. 105-164.4(a)(3), has the same~~
4 ~~responsibility and liability under the room occupancy tax as the rental agent or facilitator has~~
5 ~~under the State sales tax on accommodations.~~

6 ~~If a taxable accommodation is furnished as part of a package, the bundled transaction~~
7 ~~provisions in G.S. 105-164.4D apply in determining the sales price of the taxable~~
8 ~~accommodation. If those provisions do not address the type of package offered, the person~~
9 ~~offering the package may determine an allocated price for each item in the package based on a~~
10 ~~reasonable allocation of revenue that is supported by the person's business records kept in the~~
11 ~~ordinary course of business and calculate tax on the allocated price of the taxable~~
12 ~~accommodation.~~

13 ~~A retailer must separately state the room occupancy tax. Room occupancy taxes paid to a~~
14 ~~retailer are held in trust for and on account of the taxing city.~~

15 ~~The taxing city shall design and furnish to all appropriate businesses and persons in the city~~
16 ~~the necessary forms for filing returns and instructions to ensure the full collection of the tax. An~~
17 ~~operator of a business who collects a room occupancy tax may deduct from the amount~~
18 ~~remitted to the taxing city a discount equal to the discount the State allows the retailer for State~~
19 ~~sales and use tax.~~

20 ~~(d) Administration. – The taxing city shall administer a room occupancy tax it levies.~~
21 Local occupancy tax is administered by the entity to which the tax is required to be remitted
22 under this section as follows:

23 (1) Taxing city. – If a local occupancy tax is required to be remitted to the
24 taxing city, the A room occupancy tax is due and payable to the city finance
25 officer in monthly installments on or before the 20th day of the month
26 following the month in which the tax accrues. Every person, firm,
27 corporation, or association liable for the tax shall, A return must be filed
28 with the taxing city on or before the 20th day of each month, prepare and
29 render a return month on a form prescribed by the taxing city. The return
30 shall state the total gross receipts derived in the preceding month from
31 rentals charges upon which the tax is levied. A room local occupancy tax
32 return filed with the city finance officer is not a public record and may not
33 be disclosed except in accordance with G.S. 153A-148.1 or
34 G.S. 160A-208.1.

35 (2) Department of Revenue. – If a local occupancy tax is required to be remitted
36 to the Department of Revenue, the Department must administer the tax in
37 accordance with G.S. 105-164.4F.

38 (e) Penalties. – A person, firm, corporation, or association who fails or refuses to file a
39 ~~room local~~ occupancy tax return or pay a ~~room local~~ occupancy tax as required by law is
40 subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return
41 for State sales and use taxes. The governing board of the taxing city has the same authority to
42 waive the penalties for a ~~room local~~ occupancy tax that the Secretary of Revenue has to waive
43 the penalties for State sales and use taxes.

44 (f) Repeal or Reduction. – A ~~room local~~ occupancy tax levied by a city may be
45 repealed or reduced by a resolution adopted by the governing body of the city. ~~Repeal or~~
46 ~~reduction of a room occupancy tax shall become effective on the first day of a month and may~~
47 ~~not become effective until the end of the fiscal year in which the resolution was adopted. city in~~
48 accordance with the conditions listed in this subsection. Repeal or reduction of a room local
49 occupancy tax does not affect a liability for a tax that was attached before the effective date of
50 the repeal or reduction, nor does it affect a right to a refund of a tax that accrued before the
51 effective date of the repeal or reduction. Upon adoption of a resolution repealing or reducing

1 the tax, the governing board of the city must deliver a certified copy of the resolution to the
2 Secretary of Revenue within 10 days of the adoption of the resolution. The conditions are:

3 (1) It must become effective on January 1.

4 (2) The resolution must be adopted at least 90 days prior to the effective date of
5 the repeal.

6 (3) It is subject to the limitation in subsection (b1) of this section.

7 (f1) Use. – ~~The proceeds of a room-local occupancy tax shall not be used for~~
8 ~~development or construction of a hotel or another transient lodging facility.~~

9 (g) Applicability. – ~~Subsection (e) Subsections (b1), (b2), (c), and (f1) of this section~~
10 ~~applies apply to all cities that levy an a local occupancy tax. To the extent subsection (e)~~
11 ~~conflicts with any provision of a local act, subsection (e) supersedes that provision. Any~~
12 ~~provision of a local act that conflicts with subsection (b1), (b2), (c), or (f1) of this section is~~
13 ~~superseded by this section. The remainder of this section applies only to Beech Mountain~~
14 ~~District W, to the Cities of Belmont, Conover, Eden, Elizabeth City, Gastonia, Goldsboro,~~
15 ~~Greensboro, Hickory, High Point, Jacksonville, Kings Mountain, Lenoir, Lexington,~~
16 ~~Lincolnton, Lowell, Lumberton, Monroe, Mount Airy, Mount Holly, Reidsville, Roanoke~~
17 ~~Rapids, Salisbury, Shelby, Statesville, Washington, and Wilmington, to the Towns of Ahoskie,~~
18 ~~Beech Mountain, Benson, Bermuda Run, Blowing Rock, Boiling Springs, Boone, Burgaw,~~
19 ~~Carolina Beach, Carrboro, Cooleemee, Cramerton, Dallas, Dobson, Elkin, Fontana Dam,~~
20 ~~Franklin, Grover, Hillsborough, Jonesville, Kenly, Kure Beach, Leland, McAdenville,~~
21 ~~Mocksville, Mooresville, Murfreesboro, North Topsail Beach, Pembroke, Pilot Mountain,~~
22 ~~Ranlo, Robbinsville, Selma, Smithfield, St. Pauls, Swansboro, Troutman, Tryon, West~~
23 ~~Jefferson, Wilkesboro, Wrightsville Beach, Yadkinville, and Yanceyville, and to the~~
24 ~~municipalities in Avery and Brunswick Counties."~~

25 **SECTION 5.** G.S. 153A-155 reads as rewritten:

26 **§ 153A-155. Uniform provisions for ~~room-local~~ occupancy taxes.**

27 (a) ~~Scope Authorization. – This section applies only to counties the~~ The General
28 Assembly has authorized may authorize a county to levy ~~room-occupaney taxes~~ a local
29 occupancy tax.

30 (b) Levy. – ~~A room-local occupancy tax may be levied only by resolution, after not less~~
31 ~~than 10 days' public notice and after a public hearing held pursuant thereto. A room-local~~
32 ~~occupancy tax shall become becomes effective on the date specified in the resolution levying~~
33 ~~the tax. That date must be the first day of a calendar month, however, and may not be earlier~~
34 ~~than the first day of the second month January 1 and the date may not be earlier than 90 days~~
35 ~~after the date the resolution is adopted. Upon adoption of a resolution levying the tax, the~~
36 ~~governing board of the county must deliver a certified copy of the resolution to the Secretary of~~
37 ~~Revenue within 10 days of the adoption of the resolution. As used in this section, the term~~
38 ~~"levy" refers to the initial levy of a local occupancy tax or the increase of an existing local~~
39 ~~occupancy tax.~~

40 (b1) Rate Change. – A county may only change the local occupancy tax rate, whether by
41 levy under subsection (b) of this section or by repeal or reduction under subsection (f) of this
42 section, once every two years.

43 (b2) Scope. – The local occupancy tax applies to the same sales price of or gross receipts
44 derived from an accommodation charge on which the State sales tax is imposed under Article 5
45 of Chapter 105 of the General Statutes.

46 If a taxable accommodation is furnished as part of a package, the bundled transaction
47 provisions in G.S. 105-164.4D apply in determining the sales price of the taxable
48 accommodation. If those provisions do not address the type of package offered, the person
49 offering the package may determine an allocated price for each item in the package based on a
50 reasonable allocation of revenue that is supported by the person's business records kept in the

1 ordinary course of business and calculate tax on the allocated price of the taxable
2 accommodation.

3 (c) ~~Collection.~~Collection and Remittance. – A retailer who is required to remit to the
4 Department of Revenue the State sales tax imposed by G.S. 105-164.4(a)(3) on
5 accommodations collector of local occupancy tax is an accommodation provider or an
6 accommodation intermediary, as defined in G.S. 105-164.4F. A collector of local occupancy
7 tax has the same responsibility and liability for the local occupancy tax as the collector has
8 under the State sales tax on accommodation charges. The local occupancy tax must be
9 separately stated on the invoice or other documentation given to the purchaser and is held in
10 trust for and on account of the taxing county.

11 A collector of local occupancy tax is required to remit a ~~room occupancy~~ the tax to the
12 taxing county on and after the effective date of the levy of the ~~room occupancy~~ tax. The ~~room~~
13 occupancy tax applies to the same gross receipts as the State sales tax on accommodations and
14 is calculated in the same manner as that tax. tax as provided in this subsection. A return must be
15 filed with the appropriate entity on a form prescribed by the entity and in the manner prescribed
16 by the entity. The entity to which the local occupancy tax is remitted is as follows:

17 (1) If the collector of local occupancy tax is an accommodation provider, the
18 local occupancy tax must be remitted to the taxing county.

19 (2) If the collector of local occupancy tax is an accommodation intermediary,
20 the local occupancy tax must be remitted to the Department of Revenue.

21 A rental agent or a facilitator, as defined in G.S. 105-164.4(a)(3), has the same
22 responsibility and liability under the ~~room occupancy~~ tax as the rental agent or facilitator has
23 under the State sales tax on accommodations.

24 If a taxable accommodation is furnished as part of a package, the bundled transaction
25 provisions in G.S. 105-164.4D apply in determining the sales price of the taxable
26 accommodation. If those provisions do not address the type of package offered, the person
27 offering the package may determine an allocated price for each item in the package based on a
28 reasonable allocation of revenue that is supported by the person's business records kept in the
29 ordinary course of business and calculate tax on the allocated price of the taxable
30 accommodation.

31 A retailer must separately state the ~~room occupancy~~ tax. ~~Room occupancy~~ taxes paid to a
32 retailer are held in trust for and on account of the taxing county.

33 The taxing county shall design and furnish to all appropriate businesses and persons in the
34 county the necessary forms for filing returns and instructions to ensure the full collection of the
35 tax. A retailer who collects a ~~room occupancy~~ tax may deduct from the amount remitted to the
36 taxing county a discount equal to the discount the State allows the retailer for State sales and
37 use tax.

38 (d) Administration. – The taxing county shall administer a ~~room occupancy~~ tax it levies.
39 ~~A ~~room occupancy~~~~Local occupancy tax is administered by the entity to which the tax is
40 required to be remitted under this section as follows:

41 (1) Taxing county. – If a local occupancy tax is required to be remitted to the
42 taxing county, the tax is due and payable to the county finance officer in
43 monthly installments on or before the 20th day of the month following the
44 month in which the tax accrues. ~~Every person, firm, corporation, or~~
45 ~~association liable for the tax shall,~~ A return must be filed with the taxing
46 county on or before the 20th day of each month, ~~prepare and render a return~~
47 ~~month~~ on a form prescribed by the taxing county. The return shall state the
48 total gross receipts derived in the preceding month from ~~rentals~~ charges
49 upon which the tax is levied. A ~~room~~ local occupancy tax return filed with
50 the county finance officer is not a public record and may not be disclosed
51 except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

1 (2) Department of Revenue. – If a local occupancy tax is required to be remitted
2 to the Department of Revenue, the Department must administer the tax in
3 accordance with G.S. 105-164.4F.

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

10 (f) Repeal or Reduction. – A ~~room~~-local occupancy tax levied by a county may be
11 repealed or reduced by a resolution adopted by the governing body of the ~~county~~. ~~Repeal or~~
12 ~~reduction of a room occupancy tax shall become effective on the first day of a month and may~~
13 ~~not become effective until the end of the fiscal year in which the resolution was adopted.~~
14 county in accordance with the conditions listed in this subsection. Repeal or reduction of a
15 ~~room~~-local occupancy tax does not affect a liability for a tax that was attached before the
16 effective date of the repeal or reduction, nor does it affect a right to a refund of a tax that
17 accrued before the effective date of the repeal or reduction. Upon adoption of a resolution
18 repealing or reducing the tax, the governing board of the county must deliver a certified copy of
19 the resolution to the Secretary of Revenue within 10 days of the adoption of the resolution. The
20 conditions are:

21 (1) It must become effective on January 1.

22 (2) The resolution must be adopted at least 90 days prior to the effective date of
23 the repeal.

24 (3) It is subject to the limitation in subsection (b1) of this section.

25 (f1) Use. – The proceeds of a ~~room~~-local occupancy tax shall not be used for
26 development or construction of a hotel or another transient lodging facility.

27 (g) Applicability. – ~~Subsection (e)~~ Subsections (b1), (b2), (c), and (f1) of this section
28 applies apply to all counties and county districts that levy an a local occupancy tax. To the
29 extent subsection (e) conflicts with any provision of a local act, subsection (e) supersedes that
30 provision. Any provision of a local act that conflicts with subsection (b1), (b2), (c), or (f1) of
31 this section is superseded by this section. The remainder of this section applies only to
32 Alleghany, Anson, Brunswick, Buncombe, Burke, Cabarrus, Camden, Carteret, Caswell,
33 Chatham, Cherokee, Chowan, Clay, Craven, Cumberland, Currituck, Dare, Davie, Duplin,
34 Durham, Edgecombe, Forsyth, Franklin, Granville, Halifax, Haywood, Henderson, Jackson,
35 Madison, Martin, McDowell, Montgomery, Moore, Nash, New Hanover, Northampton,
36 Pasquotank, Pender, Perquimans, Person, Randolph, Richmond, Rockingham, Rowan,
37 Rutherford, Sampson, Scotland, Stanly, Swain, Transylvania, Tyrrell, Vance, Washington, and
38 Wilson Counties, to New Hanover County District U, to Surry County District S, to Watauga
39 County District U, to Wilkes County District K, to Yadkin County District Y, and to the
40 Township of Averasboro in Harnett County and the Ocracoke Township Taxing District."

41 **SECTION 6.** Chapter 66 of the General Statutes is amended by adding a new
42 Article to read:

43 "Article 47.

44 "Short-Term Rental Listing Services.

45 **"§ 66-450. Listing services to require sales tax registration number.**

46 (a) Definitions. – The following definitions apply in this Article:

47 (1) Short-term rental. – A residential dwelling unit offered for transient use by
48 the owner of the residential dwelling unit without the use of a licensed real
49 estate broker and that is subject to the sales tax on accommodation charges
50 under G.S. 105-164.4F.

1 (2) Short-term rental listing service. – A business that maintains an Internet Web
2 site or mobile application that lists and facilitates short-term rentals.

3 (b) Registration Number. – Before listing a short-term rental unit on its Internet Web
4 site or mobile application, a short-term rental listing service shall require the owner or operator
5 of the short-term rental unit to provide a valid registration number issued by the North Carolina
6 Department of Revenue pursuant to G.S. 105-164.29."

7 **SECTION 7.** Within 90 days of the effective date of this act, each taxing district,
8 as defined in G.S. 105-164.4F and enacted by Section 1 of this act, that levies a local
9 occupancy tax on the effective date of this act must send to the Secretary of Revenue a certified
10 copy of the resolution authorizing the levy of the local occupancy tax.

11 **SECTION 8.** This act becomes effective January 1, 2016, and applies to sales and
12 use tax and local occupancy tax remitted on or after that date. The requirement under
13 G.S. 105-164.4F(g), as enacted by Section 1 of this act, that the Secretary of Revenue publish
14 local occupancy tax rates on its Web site, must be met within six months after the effective date
15 of this act.