

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 757

Short Title: Raise Washington Occupancy Tax.

(Local)

Sponsors: Representatives Rogers and Culpepper.

Referred to: Finance.

March 26, 2001

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE WASHINGTON COUNTY TO INCREASE ITS ROOM
OCCUPANCY TAX FOR TOURISM PROMOTION.

The General Assembly of North Carolina enacts:

SECTION 1. Section 1 of Chapter 821 of the 1991 Session Laws reads as
rewritten:

"Section 1. Occupancy tax. = a) Authorization and scope. = The Washington
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:

- (1) Nonprofit charitable, educational, or religious organizations.
- (2) A business that offers to rent fewer than five units.
- (3) Summer camps.

(a1) Additional Tax. – In addition to the tax authorized by subsection (a) of this
section, the Washington County Board of Commissioners may levy a room occupancy
and tourism development tax of three percent (3%) of the gross receipts derived from
the rental of accommodations taxable under that subsection. The levy, collection,
administration, use, and repeal of the tax authorized by this subsection shall be in
accordance with this section. Washington County may not levy a tax under this
subsection unless it also levies a tax under subsection (a) of this section.

(b) Administration. – A tax levied under this act shall be levied, administered,
collected, and repealed as provided in G.S. 153A-155. The penalties provided in G.S.
153A-155 apply to a tax levied under this act. ~~Collection. Every operator of a business
subject to the tax levied under this section shall, on and after the effective date of the~~

1 levy of the tax, collect the tax. This tax shall be collected as part of the charge for
2 furnishing a taxable accommodation. The tax shall be stated and charged separately
3 from the sales records, and shall be paid by the purchaser to the operator of the business
4 as trustee for and on account of the county. The tax shall be added to the sales price and
5 shall be passed on to the purchaser instead of being borne by the operator of the
6 business. The county shall design, print, and furnish to all appropriate businesses and
7 persons in the county the necessary forms for filing returns and instructions to ensure
8 the full collection of the tax.

9 (c) Administration. The county shall administer a tax levied under this section. A
10 tax levied under this section is due and payable to the county finance officer in monthly
11 installments on or before the fifteenth day of the month following the month in which
12 the tax accrues. Every person, firm, corporation, or association liable for the tax shall,
13 on or before the fifteenth day of each month, prepare and render a return on a form
14 prescribed by the county. The return shall state the total gross receipts derived in the
15 preceding month from rentals upon which the tax is levied.

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

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

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

31 (e) Distribution and use of tax revenue. = Washington County shall deposit the
32 proceeds of the tax in its general fund. The proceeds may be used only to further the
33 development of travel, tourism, and conventions in the county.

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

38 (g) Repeal. A tax levied under this section may be repealed by a resolution
39 adopted by the Washington County Board of Commissioners. Repeal of a tax levied
40 under this section shall become effective on the first day of a month and may not
41 become effective until the end of the fiscal year in which the repeal resolution was
42 adopted. Repeal of a tax levied under this section does not affect a liability for a tax that
43 was attached before the effective date of the repeal, nor does it affect a right to a refund
44 of a tax that accrued before the effective date of the repeal."

1 **SECTION 2.** G.S. 153A-155 reads as rewritten:

2 "**§ 153A-155. Uniform provisions for room occupancy taxes.**

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

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

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

22 (d) Administration. – The taxing county shall administer a room occupancy tax it
23 levies. A room occupancy tax is due and payable to the county finance officer in
24 monthly installments on or before the 15th day of the month following the month in
25 which the tax accrues. Every person, firm, corporation, or association liable for the tax
26 shall, on or before the 15th day of each month, prepare and render a return on a form
27 prescribed by the taxing county. The return shall state the total gross receipts derived in
28 the preceding month from rentals upon which the tax is levied. A room occupancy tax
29 return filed with the county finance officer is not a public record and may not be
30 disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

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

37 (f) Repeal or Reduction. – A room occupancy tax levied by a county may be
38 repealed or reduced by a resolution adopted by the governing body of the county.
39 Repeal or reduction of a room occupancy tax shall become effective on the first day of a
40 month and may not become effective until the end of the fiscal year in which the
41 resolution was adopted. Repeal or reduction of a room occupancy tax does not affect a
42 liability for a tax that was attached before the effective date of the repeal or reduction,
43 nor does it affect a right to a refund of a tax that accrued before the effective date of the
44 repeal or reduction.

1 (g) This section applies only to Avery, Brunswick, Craven, Currituck, Davie,
2 Granville, Madison, Nash, Person, Randolph, Scotland, ~~and Transylvania~~Transylvania,
3 and Washington Counties."

4 **SECTION 3.** This act is effective when it becomes law.