

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 1178

Short Title: Caswell Beach Occupancy Tax.

(Local)

Sponsors: Representative Redwine.

Referred to: Finance.

May 8, 1991

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE THE TOWN OF CASWELL BEACH TO LEVY A ROOM OCCUPANCY AND TOURISM DEVELOPMENT TAX.

The General Assembly of North Carolina enacts:

Section 1. Occupancy Tax. (a) Authorization and Scope. The Board of Commissioners of the Town of Caswell Beach may by resolution, after not less than 10 days' public notice and a public hearing held pursuant thereto, levy a room occupancy tax of up to three percent (3%) of the gross receipts derived from the rental of accommodations within the town that are subject to sales tax imposed by the State under G.S. 105-164.4(a)(3) and from the rental of private residences and cottages within the town that are exempt from the sales tax imposed under G.S. 105-164.4(a)(3) solely because they are rented for less than 15 days.

(b) Collection. Every operator of a business subject to the tax levied by this act shall, on and after the effective date of the tax, collect the tax. This tax shall be collected as part of the charge for furnishing a taxable accommodation. The tax shall be stated and charged separately from the sales records, and shall be paid by the purchaser to the operator of the business as trustee for and on account of the town. The occupancy tax levied under this act shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the owner of the business. The town shall design, print, and furnish to all appropriate businesses in the town the necessary forms for filing returns and instructions to ensure the full collection of the tax.

(c) Administration. The town shall administer the occupancy tax levied under this act. A tax levied under this act is due and payable to the town tax collector in monthly installments on or before the fifteenth day of the month following the month in

1 which the tax accrues. Every person, firm, or corporation liable for the tax shall, on or
2 before the fifteenth day of each month, prepare and render a return on a form prescribed
3 by the town. The return shall state the total gross receipts derived in the preceding
4 month from rentals upon which the tax is levied.

5 A return filed with the town tax collector under this act is not a public record
6 as defined by G.S. 132-1 and may not be disclosed except as required by law.

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

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

21 (e) Use of Proceeds. The town may use the proceeds of a tax levied under
22 this act only for tourism-related expenditures. As used in this act, the term "tourism-
23 related expenditures" includes the following types of expenditures: criminal justice
24 system, fire protection, public facilities and utilities, health facilities, solid waste and
25 sewage treatment, and the control and repair of waterfront erosion. These funds may
26 not be used for services normally provided by the town on behalf of its citizens unless
27 these services promote tourism and enlarge its economic benefits by enhancing the
28 ability of the town to attract and provide for tourists.

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

33 (g) Repeal. The Board of Commissioners of the Town of Caswell Beach
34 may by resolution repeal a tax levied under this act. Repeal of a tax levied under this
35 act shall become effective on the first day of a month and may not become effective
36 until the end of the fiscal year in which the repeal resolution was adopted. Repeal of a
37 tax levied under this act does not affect a liability for a tax that was attached before the
38 effective date of the repeal, nor does it affect a right to a refund of a tax that accrued
39 before the effective date of the repeal.

40 Sec. 2. This act is effective upon ratification.