

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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SENATE BILL 534

Local Government and Regional Affairs Committee Substitute Adopted 5/15/91

Finance Committee Substitute #2 Adopted 6/12/91

Short Title: Columbus Occupancy Tax.

(Local)

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Sponsors:

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Referred to:

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April 10, 1991

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE TOWN OF COLUMBUS TO LEVY A ROOM  
2 OCCUPANCY TAX.  
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4 The General Assembly of North Carolina enacts:

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

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

1 (c) Administration. The town shall administer a tax levied under this section. A  
2 tax levied under this section is due and payable to the town finance officer in monthly  
3 installments on or before the fifteenth day of the month following the month in which  
4 the tax accrues. Every person, firm, corporation, or association liable for the tax shall,  
5 on or before the fifteenth day of each month, prepare and render a return on a form  
6 prescribed by the town. The return shall state the total gross receipts derived in the  
7 preceding month from rentals upon which the tax is levied.

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

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

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

23 (e) Disposition of tax proceeds. The Town Council of Columbus shall use  
24 fifty percent (50%) of the proceeds of the occupancy tax to promote travel and tourism.  
25 The remaining proceeds may be used for any public purpose.

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

30 (g) Repeal. A tax levied under this section may be repealed by a resolution  
31 adopted by the Columbus Town Council. Repeal of a tax levied under this section shall  
32 become effective on the first day of a month and may not become effective until the end  
33 of the fiscal year in which the repeal resolution was adopted. Repeal of a tax levied  
34 under this section does not affect a liability for a tax that was attached before the  
35 effective date of the repeal, nor does it affect a right to a refund of a tax that accrued  
36 before the effective date of the repeal.

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