

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 125 (First Edition)

SHORT TITLE: West Jefferson Occupancy Tax.

SPONSOR(S): Representative Wilson

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
REVENUES:					
General Fund		*No General Fund Impact*			
Town of West Jefferson	\$17,500	\$18,200	\$18,928	\$19,685	\$20,473
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Town of West Jefferson					
EFFECTIVE DATE: Becomes effective when law.					

BILL SUMMARY:

This bill allows the Town of West Jefferson to levy a 3% occupancy tax. The bill requires the proceeds to go to the West Jefferson Tourism Development Authority. At least two-thirds of the funds are to be used to promote travel and tourism in West Jefferson and the remainder is to be used for travel-related expenditures.

ASSUMPTIONS AND METHODOLOGY:

There is currently one hotel in the city limits of West Jefferson. Based on hotel receipts, the town estimates that the occupancy tax will generate between \$15,000 and \$20,000 annually. For the purposes of this analysis, an estimate of \$17,500 is used for the first year. An annual rate of increase of 4% is used to project revenues for future years.

Year	Amount	Each 1%
2005-06	17,500	5,833
2006-07	18,200	6,066
2007-08	18,928	6,309
2008-09	19,685	6,561
2009-10	20,473	6,824

SOURCES OF DATA: Town of West Jefferson, NC Department of Revenue

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919)

733-4910

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Signed Copy Located in the NCGA Principal Clerk's Offices