

**GENERAL ASSEMBLY OF NORTH CAROLINA**

**SESSION 1991**

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**HOUSE BILL 248**

Short Title: Mooresville Occupancy Tax.

(Local)

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Sponsors: Representative Brawley.

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Referred to: Finance.

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March 14, 1991

**A BILL TO BE ENTITLED**

**AN ACT TO AUTHORIZE THE TOWN OF MOORESVILLE TO LEVY A ROOM  
OCCUPANCY TAX.**

The General Assembly of North Carolina enacts:

Section 1. Occupancy tax. (a) Authorization and scope. The Mooresville Town 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 up to two percent (2%) 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 town 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 and any other local occupancy tax. This tax does not apply to accommodations furnished by nonprofit charitable, educational, or religious organizations.

(b) Collection. Every operator of a business subject to the tax levied under this section shall, on and after the effective date of the levy 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 tax shall be added to the sales price and shall be passed on to the purchaser instead of being borne by the operator of the business. The town shall design, print, and furnish to all appropriate businesses and persons in the town the necessary forms for filing returns and instructions to ensure the full collection of the tax. An operator of a business who collects the occupancy tax levied under this section may deduct from the amount remitted to the town a discount of three percent (3%) of the amount collected.

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 board of commissioners may, for good  
17 cause shown, compromise or forgive the additional tax penalties imposed by this  
18 subsection.

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

24 (e) Disposition of tax proceeds. The Town of Mooresville shall credit the net  
25 proceeds of a tax levied under this section to its general fund. As used in this  
26 subsection, "net proceeds" means gross proceeds less the cost to the town of  
27 administering and collecting the tax, as determined by the finance officer.

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

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

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