

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 710\*  
House Committee Substitute Favorable 7/16/93

Short Title: Nash Room Tax Changes.

(Local)

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Sponsors:

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Referred to:

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April 6, 1993

A BILL TO BE ENTITLED

AN ACT TO MODIFY THE NASH COUNTY ROOM OCCUPANCY TAX.

The General Assembly of North Carolina enacts:

Section 1. Section 1(b) of Chapter 32 of the 1987 Session Laws reads as rewritten:

"(b) Collection. Every operator of a business subject to the tax levied under this act 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 county. 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 county shall design, print, and furnish to all appropriate businesses and persons in the county 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 act may deduct from the amount remitted to the county a discount ~~of three percent (3%) of the amount collected.~~ equal to the discount the State allows the operator for collecting State sales and use taxes."

Sec. 2. Section 1(d) of Chapter 32 of the 1987 Session Laws reads as rewritten:

"(d) Penalties. A person, firm, corporation, or association who fails or refuses to file the return required by this act ~~shall pay a penalty of ten dollars (\$10.00) for each day's omission. In case of failure or refusal to file the return or pay the tax for a period~~

1 of thirty (30) days after the time required for filing the return or for paying the tax, there  
2 shall be an additional tax, as a penalty, of five percent (5%) of the tax due in addition to  
3 any other penalty, with an additional tax of five percent (5%) for each additional month  
4 or fraction thereof until the tax is paid.

5 Any person who willfully attempts in any manner to evade the occupancy tax levied  
6 under this act or who willfully fails to pay the tax or make and file a return shall, in  
7 addition to all other penalties provided by law, be guilty of a misdemeanor and shall be  
8 punishable by a fine not to exceed one thousand dollars (\$1,000), imprisonment not to  
9 exceed six months, or both. The Board of Commissioners may, for good cause shown,  
10 compromise or forgive the penalties imposed by this subsection. is subject to the civil  
11 and criminal penalties set by G.S. 105-236 for failure to pay or file a return for State  
12 sales and use taxes. The Board of Commissioners has the same authority to waive the  
13 penalties for a room occupancy tax that the Secretary of Revenue has to waive the  
14 penalties for State sales and use taxes."

15 Sec. 3. Section 1(e) of Chapter 32 of the 1987 Session Laws reads as  
16 rewritten:

17 "(e) Distribution and use of tax revenue. Nash County shall, on a quarterly basis,  
18 remit the net proceeds of the occupancy tax to the Nash Tourism Development  
19 Authority. The Authority may shall spend at least two-thirds of the funds remitted to it  
20 under this subsection only to promote travel and tourism in Nash County, to sponsor  
21 tourist-oriented events and activities in Nash County, and to finance tourist-related capital  
22 projects in Nash County, such as the construction of a civic center and utilities within Nash  
23 County. As used in this subsection, 'net proceeds' means gross and shall spend the remainder  
24 on tourism-related expenditures. The following definitions apply in this subsection:

- 25 (1) Net proceeds. – Gross proceeds less the cost to the county of  
26 administering and collecting the tax, as determined by the finance  
27 officer. officer, not to exceed seven percent (7%) of the amount  
28 collected.
- 29 (2) Promote travel and tourism. – To advertise or market an area or  
30 activity, publish and distribute pamphlets and other materials, conduct  
31 market research, or engage in similar promotional activities that attract  
32 tourists or business travelers to the area; the term includes  
33 administrative expenses incurred in engaging in the listed activities.
- 34 (3) Tourism-related expenditures. – Expenditures that are designed to  
35 increase the use of lodging facilities in a county or to attract tourists or  
36 business travelers to the county and expenditures incurred by the  
37 county in collecting the tax. The term includes expenditures to  
38 construct, maintain, operate, or market a convention center and other  
39 expenditures that, in the judgment of the Authority, will facilitate and  
40 support tourism."

41 Sec. 4. This act becomes effective August 1, 1993.