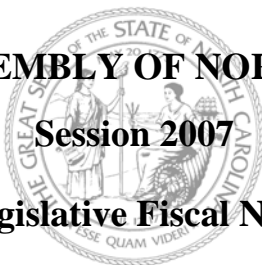


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 2783 (Second Edition)

SHORT TITLE: Cherokee County Occupancy Tax.

SPONSOR(S): Representative West

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>
REVENUES					
Cherokee County	\$461,000	\$483,000	\$505,000	\$524,000	\$545,000
EXPENDITURES					
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Cherokee County					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY: House Bill 2783 amends SL 1983-1055 to provide that the Cherokee County Board of Commissioners may levy a room occupancy and tourism development tax that is 3% of the gross receipts derived from the rental of any room, lodging, or similar accommodation that is subject to the state sales tax imposed under GS 105-164.4(a)(3). It then authorizes an additional room occupancy tax of up to 3% of the gross receipts listed above.

House Bill 2783 deletes the authority of the board of county commissioners to repeal the levy of the room occupancy tax in Cherokee County by resolution, and makes technical corrections in order to reflect the actual changes made to the session law.

ASSUMPTIONS AND METHODOLOGY:

This bill changes language to allow Cherokee County to levy up to a 6% room occupancy tax based on gross receipts derived from the rental of any room, lodging, or similar accommodations. Currently, the rate stands at 3% for Cherokee County. For 2007, the current rate generated \$144,366 in revenue. Adjusting for a rate of 6% would have generated \$577,464 in revenue, a difference of \$433,098. The revenues were grown using the leisure and hospitality portion of North Carolina’s gross state product as projected by Moody’s Economy.com.

SOURCES OF DATA: NC Department of the State Treasurer, Moody's Economy.com

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

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DATE: June 23, 2008



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