

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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SENATE BILL 871

Finance Committee Substitute Adopted 6/24/93

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Short Title: City Privilege License Changes.

(Local)

Sponsors:

Referred to:

April 15, 1993

A BILL TO BE ENTITLED

AN ACT TO CLARIFY THE PENALTIES AND REMEDIES THAT APPLY TO MUNICIPAL PRIVILEGE LICENSE TAXES IMPOSED BY CITIES IN CERTAIN COUNTIES, TO CLARIFY THE KIND OF INFORMATION A CITY OR TOWN MAY REQUEST AN APPLICANT FOR A MUNICIPAL PRIVILEGE LICENSE FROM THESE CITIES TO PROVIDE, TO PROVIDE THAT NO MORE THAN ONE CITY IN CERTAIN COUNTIES MAY IMPOSE A PRIVILEGE TAX ON THE SAME BUSINESS, AND TO INCREASE COMPLIANCE WITH MUNICIPAL PRIVILEGE LICENSE TAXES IMPOSED BY THESE CITIES.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-109(e) reads as rewritten:

"(e) ~~The provisions of this section for the collection of delinquent license taxes shall apply to license taxes levied by the cities and towns of this State under authority of this Article, or any other provision of law, in the same manner and to the same extent as they apply to taxes levied by the State and counties of this State: Provided, the municipal officer charged with the duty of collecting municipal taxes may exercise the powers vested in the sheriff by this section. The penalties and remedies that apply to municipal privilege license taxes imposed by a municipality under Article 9 of Chapter~~

1 160A of the General Statutes apply to municipal privilege license taxes that are subject  
2 to the limitations set in this Article."

3       Sec. 2. G.S. 160A-211 is amended by designating the current language of the  
4 statute as subsection (a) with the heading "Authorization" and adding the following  
5 subsections to read:

6       "(b) Application. – The power granted to a city by G.S. 160A-206 to provide for  
7 the administration of a city tax includes the power to request an applicant for a city  
8 privilege license to provide any of the following information:

9           (1) Whether the applicant is an individual, a firm, or a corporation.

10          (2) The applicant's social security number and any State withholding tax  
11 number, if the applicant is an individual, and the applicant's federal  
12 employer identification number and any State withholding tax number,  
13 if the applicant is a firm or a corporation.

14          (3) If the applicant is subject to G.S. 97-93, the name of the applicant's  
15 workers' compensation insurance carrier or self-insured group or, for  
16 an applicant who is self-insured, a statement that the applicant is self-  
17 insured and the date the applicant provided proof of financial  
18 responsibility to the Commissioner of Insurance.

19       (c) Penalties. – The power granted to a city by G.S. 160A-206 to impose  
20 reasonable penalties for failure to declare tax liability or pay taxes when due and by  
21 G.S. 160A-175 to impose penalties for violation of an ordinance include all of the  
22 following:

23           (1) The power to impose on a person who fails to obtain or renew a  
24 privilege license required by the city a penalty equal to twenty-five  
25 percent (25%) of the amount of the privilege license tax payable.

26           (2) The power to impose on a person who, after receiving written notice  
27 from the city of the person's duty to obtain a city privilege license,  
28 continues to engage in a business without obtaining a city privilege  
29 license required for the business, a penalty of one hundred dollars  
30 (\$100.00) for each day the person continues to engage in business  
31 without the required privilege license, subject to a maximum of one  
32 thousand dollars (\$1,000).

33       (d) Injunctive Relief. – A city may secure an injunction in accordance with G.S.  
34 160A-175 to ensure that a person does not engage in a business without obtaining a city  
35 privilege license required for the business.

36       (e) Limitation. – A city may not require a person to obtain a privilege license  
37 under this section for a trade, occupation, profession, business, or franchise if the person  
38 has a privilege license issued under this section by another city in the same county for  
39 the same taxable period for the same trade, occupation, profession, business, or  
40 franchise."

41       Sec. 3. This act applies only to cities in the following counties: Gaston and  
42 Mecklenburg.

43       Sec. 4. G.S. 160A-211(e), as enacted by this act, becomes effective July 1,  
44 1995, and applies to privilege license taxes payable on or after that date; the remainder

- 1 of this act is effective upon ratification. This act does not affect penalties imposed
- 2 under G.S. 105-109(e) before the date this act is ratified.