

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2011

Legislative Fiscal Note

BILL NUMBER: House Bill 518 (First Edition)

SHORT TITLE: Authorize Add'l Person County Occupancy Tax.

SPONSOR(S): Representative Wilkins

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>	<b><u>FY 2014-15</u></b>	<b><u>FY 2015-16</u></b>
<b>REVENUES</b>	<b>\$33,446</b>	<b>\$35,637</b>	<b>\$37,659</b>	<b>\$39,245</b>	<b>\$40,579</b>
<b>EXPENDITURES</b>					
<b>POSITIONS (cumulative):</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Person County					
<b>EFFECTIVE DATE:</b> This act is effective when it becomes law					

**BILL SUMMARY:**

House Bill 518 amends Section 14 of SL 1997-364 to allow Person County to levy an additional room occupancy tax of up to (1%) one percent 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 county that is subject to the state’s sales tax under GS 105-164.4(a)(3). It prohibits Person County from levying the additional tax unless it levies the (5%) five percent occupancy tax previously authorized. The bill specifies that proceeds from the additional (1%) one percent tax are earmarked for operating the Person County Museum of History.

**ASSUMPTIONS AND METHODOLOGY:**

Person County currently collects a (5%) five percent room occupancy tax. According to the North Carolina Department of State Treasurer, the county collected \$152,669 in occupancy tax revenue for Tax Year 2010. Assuming that an additional (1%) one percent would generate (1/5) one-fifth of current collections, and forecasting based on the leisure and hospitality portion of North Carolina Gross State Product, it’s estimated that an additional (1%) one percent occupancy tax would yield Person County \$33,446 in FY11-12.

**SOURCES OF DATA:** North Carolina Department of State Treasurer; Moody's Economy.com

**TECHNICAL CONSIDERATIONS:** None

**FISCAL RESEARCH DIVISION:** (919) 733-4910

**PREPARED BY:** Brian Slivka

**APPROVED BY:**

Lynn Muchmore, Director  
**Fiscal Research Division**

**DATE:** April 26, 2011



**Signed Copy Located in the NCGA Principal Clerk's Offices**