

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 762*
Committee Substitute Favorable 5/21/97

Short Title: Chapel Hill Large Event Ticket Tax.

(Local)

Sponsors:

Referred to:

April 2, 1997

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE TOWN OF CHAPEL HILL TO LEVY AN
2 ENTERTAINMENT TAX ON EVENTS IN LARGE FACILITIES IN THE TOWN
3 OF CHAPEL HILL.
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5 The General Assembly of North Carolina enacts:

6 Section 1. (a) Authorization and scope. Notwithstanding the provisions of G.S. 105-
7 37.1(b), a town by resolution of its governing board may levy an entertainment tax on
8 every admission ticket purchased for admission to an entertainment, an amusement, or an
9 athletic or commercial event for which an admission is charged and which is presented in
10 that town in a facility having a seating capacity greater than 15,000. This tax does not
11 apply, however, to athletic events sponsored by the North Carolina High School Athletic
12 Association that involve participants at or below high school level. The tax shall be at a
13 rate of not more than one dollar (\$1.00) per admission ticket purchased. This tax is in
14 addition to any other State or local tax.

15 (b) Collection. Every person, firm, corporation, or organization selling
16 admission tickets taxable under this section shall collect the tax. This tax shall be
17 collected at the same time as the charge for furnishing a taxable admission ticket and
18 shall be paid by the purchaser to the seller of the admission ticket as trustee for and on
19 account of the town. The tax shall be stated and charged separately from the sales price.

1 The tax shall be added to the admission price and shall be passed on to the purchaser
2 instead of being borne by the seller.

3 (c) Administration. The town shall administer a tax levied under this
4 section. A tax levied and collected under this section is due and payable to the town tax
5 collector on or before the 15th day of the month following the month in which the tax
6 accrues. Every person, firm, or corporation liable for the tax shall, on or before the 15th
7 day of each month, prepare and render a return on a form prescribed by the town. The
8 return shall state the total number of admissions subject to the tax that were sold in the
9 preceding month. A return filed with the tax collector under this section is not a public
10 record as defined in G.S. 132-1 and may not be disclosed except as required by law. The
11 town may, by ordinance establish additional procedures for collection, reporting,
12 remittance, and use of a tax levied under this section.

13 (d) Penalties. A person, firm, or corporation who fails or refuses to file the
14 return required by this section shall pay a tax penalty of ten dollars (\$10.00) for each
15 day's omission. In case of failure or refusal to file the return or pay the tax for a period of
16 30 days after the time required for filing the return or for paying the tax, there shall be an
17 additional tax penalty of five percent (5%) of the tax due, with an additional tax penalty
18 of five percent (5%) for each additional month or fraction thereof until the tax is paid.
19 The town council may, for good cause shown, compromise or forgive the tax penalties
20 imposed by this section.

21 Any person who willfully attempts in any manner to evade a tax imposed
22 under this section or who willfully fails to pay the tax or make and file a return shall, in
23 addition to all other penalties provided by law, be guilty of a Class 3 misdemeanor.

24 (e) Use and distribution of tax revenue. The town shall use the proceeds
25 collected from this tax solely for the purpose of supporting the public transportation
26 system operated by the town, including services provided under agreement with the
27 University of North Carolina at Chapel Hill and with the Town of Carrboro.

28 (f) Effective date of the levy. A tax levied under this section shall become
29 effective on the date specified in the ordinance 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 ordinance is adopted.

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

39 Section 2. This act is effective when it becomes law.