

INSTRUCTIONS FOR TRANSIENT OCCUPANCY TAX REPORT FOR
ORANGE COUNTY

OCCUPANCY TAX- a room occupancy tax of three percent (3%) is imposed on the gross receipts derived from the rental of any room, lodging or similar accommodation within the county subject to the sales tax under G.S. 105-164.4(a) (3).

EXEMPTIONS-This tax does not apply to accommodations furnished by nonprofit charitable, educational, benevolent, or religious organizations when furnished in furtherance of their nonprofit purpose. This tax also does not apply to any private residence or cottage that is rented for less than fifteen (15) days in a calendar year or to any room, lodging, or accommodation supplied to the same person for a period of ninety (90) or more continuous days.

ADMINISTRATION- the County shall administer a tax levied under Section 1, Chapter 392 of Senate Bill 622. A tax levied under this section is due and payable to the county tax office in monthly installments on or before the fifteenth (15th) day of the month following the month in which the tax accrues. Every person, firm, corporation, or association liable for the tax shall, on or before the fifteenth (15th) day of each month, prepare and render a return on a form prescribed by the county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. Any On-line Travel Company (OTC)/Facilitator who contracts with a provider of an accommodation to market the accommodation and to accept payment from the consumer for the accommodation shall report and pay according to GS 105-164.4(a)(3). A return filed with the Orange County Tax Office under this act is not a public record as defined by G.S 132-1 and may not be disclosed except as required by law.

Reports must be filed each month **even if no taxes are due**. Applicable penalty will be due for late filing (see below).

PENALTIES- A person, firm, corporation or association who fails or refuses to file the return by this section shall pay a penalty of ten dollar (\$10.00) for each day's omission. Should the report be more than thirty (30) days late, an additional tax of five percent (5%) interest will be applied to taxes due for each month or fraction thereof until taxes are paid in full.

Any person, firm, corporation or association which willfully attempts in any manner to evade the Occupancy Tax or to make a false return, and who willfully fails to pay such tax or make and file such return, shall, in addition to the penalties imposed, be guilty of a misdemeanor, and shall be punished by a fine not to exceed \$ 1,000.00 and imprisonment not to exceed thirty days.

You must still file a report even if there are no sales made for that month.

Payment of taxes due including penalties (if applicable) must be remitted with this form to ensure proper credit to your account.

IT IS STRONGLY RECOMMENDED THAT A "CERTIFICATE OF MAILING" BE OBTAINED FROM YOUR LOCAL POSTMASTER. WITHOUT THIS RECIEPT, THERE IS NO DEFENSE AGAINST THE FAILURE TO FILE THE RETURN BY THE (15TH) FIFTEENTH OF EACH MONTH

(Line 1) "Gross Retail Receipts" are those receipts from gross retail sales as reported on the North Carolina Department of Sales and Use Tax Report, (less sales tax).

(Line 2) "Sales Reported from On-Line Travel Companies (OTC's/ Facilitators)" are sales reported by a person (Facilitator) who is not a rental agent and who contracts with a provider of an accommodation to market the accommodation and to accept payment from the consumer for the accommodation. A facilitator must report to the retailer with whom it has a contract the sales price a consumer pays to the facilitator for an accommodation rental marketed by the facilitator.

(Line 3) "Non-occupancy Related Receipts" are those receipts from retail sales that are not derived from the "rental of any sleeping room or lodging furnished." "Room"- a partitioned part of the inside of a building designed or used as lodging. Includes suites or rooms which have, in one or more rooms or areas, sleeping accommodation, whether or not actually used by the occupants.

(Line 4) "Occupancy Receipts Not Subject to Sales Tax" are those receipts for which the hotel, motel, or inn did not collect a sales tax due to statutory exemption.

(Line 5) "Occupancy Receipts after 90th Consecutive Day" are those receipts derived from the rental of a room to the same person for that portion of the continuous rental of the room after the ninetieth (90th) consecutive day of rental.

(Line 6) "Credits on Previously Charged Exempt Receipts" are available upon documentation of tax paid on retail receipts that were from room rentals to the same person for days 1-89 in a rental of 90 consecutive days or more and were included in the gross receipts in the report for the prior month.

(Line 7) "Net Retail Receipts" total of lines 1 thru 6.

(Line 8) "Occupancy Tax" multiply amount on Line 7 by .03 (3%)

(Line 9) "Penalty" If the return is filed and paid after the due date, add a ten dollar (\$10.00) penalty for each day late.

(Line 10) "Additional Tax Due" Should the report be more than thirty (30) days late, an additional tax of five percent (5%) interest will be applied to taxes due for each month or fraction thereof until taxes are paid in full.

Remittance should be made to Orange County by check or money order. **DO NOT SEND CASH.**

Payable to:
ORANGE COUNTY TAX COLLECTOR
ATTN: OCCUPANCY TAX
PO BOX 8181
HILLSBOROUGH, NC 27278