

Bertie County Basic Occupancy Tax Information

Occupancy Tax or Vacationers Tax

- **What is an Occupancy Tax?**

Beginning in 1983, NC General Assembly enacted a local lodging occupancy or vacationers tax as a means of growing the visitor economy. These taxes (up to 6%) are paid by lodging guests on the cost of their accommodations and have generated billions of dollars in direct tax revenue that is specifically used locally. Tourism is the backbone of the economy in many North Carolina communities, employing thousands of people, support numerous entrepreneurs, and generating revenue for small and large businesses.

The concept of the occupancy tax is relatively straightforward: guests pay a small additional amount as a percentage of their nightly accommodations rate, and that tax is then remitted monthly by the lodging owner to their local government who then sets it aside for use by the local Tourism Development Authority (TDA).

No occupancy tax revenue is directed to state government in North Carolina—100% of the revenue remains at the local level. Occupancy taxes are typically applied to any lodging property including hotels, bed and breakfasts, cabins, condominiums, and rental homes for short-term stays (including Airbnb, HomeAway, and VRBO in North Carolina). The tax is *usually* not applied to religious conference centers, colleges, campgrounds, youth camps, and RV parks.

This tax does not apply to:

- (1) any private residence or cottage that is rented for less than fifteen (15) days in a calendar year.
- (2) any room, lodging, or accommodation supplied to the same person for a period of ninety (90) or more continuous days.
- (3) any accommodation that is part of a membership-based club or camp.

- **Why does Bertie need an Occupancy Tax?**

Bertie relies primarily on an agriculture and industry economy. To create more businesses, jobs, and career opportunities, the County wants to responsibly promote its best assets – the natural area, culture, history, and outdoor activities. These assets are what drive Travel & Tourism economies. So in 2021, County Commissioners voted to leverage Travel and Tourism as an important economic development segment for Bertie’s future, and revenue from an Occupancy Tax is used to promote this Travel and Tourism economy.

- **Guidelines for spending Occupancy Tax revenue:**

At least two-thirds of the proceeds must be used to (1) promote travel and tourism and the remainder for (2) tourism-related expenditures.

1. Promote Travel & Tourism 2/3: To advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area; the term includes administrative expenses incurred in engaging in these activities.
2. Tourism-related Expenditure 1/3: Expenditures that, in the judgment of the Tourism Development Authority, are designed to increase the use of lodging facilities, meeting facilities, and convention facilities in a city/ county by attracting tourists or business travelers to the city/ county. The term includes tourism-related capital expenditures.

- **How is it collected:**

The taxing county shall design and furnish to all appropriate businesses and persons in the county the necessary forms for filing returns and instructions to ensure the full collection of the tax. A room occupancy tax is due and payable to the county finance officer in monthly installments on or before the 20th 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 20th day of each month, prepare and render a return on a form prescribed by the taxing county. The return shall state the total gross receipts derived in the preceding month from rentals upon which the tax is levied. A room occupancy tax return filed with the county finance officer is not a public record and may not be disclosed except in accordance with G.S. 153A-148.1 or G.S. 160A-208.1.

- **Administration:**

The taxing county shall administer the room occupancy tax it levies.

- **Costs of Collection:**

The taxing County may retain from the revenues its actual costs of collection, not to exceed 3% of the first \$500,000 collected each year plus 1 % of the remainder collected each year.

- **Who spends the Occ Tax revenue:**

The net revenues must be administered by a local tourism promotion agency, typically referred to as a "Tourism Development Authority," that has the authority to determine how the tax proceeds will be used, is created by a local ordinance, and at least ½ of the members must be currently active in the promotion of travel and tourism in the taxing district and 1 / 3 of the members must be affiliated with organizations that collect the tax.