

**ROOM OCCUPANCY TAX**

QUESTION: Who is responsible for the collection of the room occupancy tax?

ANSWER: N.C.G.S. 105-164.4(3) states "Operators of hotels, motels, tourist homes, tourist camps and similar type of businesses and persons who rent private residences and cottages to transients are considered retailers under this Article. A tax at the general rate of tax is levied on the gross receipts derived by these retailers from the rental of any rooms, lodging, or accommodations furnished to transients for a consideration. This tax does not apply to any private residence or cottage that is rented for less than 15 days in a calendar year or to any room, lodging, or accommodation supplied to the same person for a period of 90 or more continuous days."

QUESTION: What is the amount of the room occupancy tax?

ANSWER: Effective August 1, 2005, Transylvania County levied a 4% room occupancy tax with the 4% calculated on gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by hotels, motels, tourist homes, tourist camps and similar type of businesses and persons who rent private residences and cottages to transients.

QUESTION: When is the tax due?

ANSWER: The room occupancy tax is due and payable to Transylvania County in monthly installments on or before the 20<sup>th</sup> day of the month following the month in which the tax accrues. The address is:  
Transylvania County Finance Office  
21 East Main Street  
Brevard, NC 28712

QUESTION: What is the penalty for failure to file a room occupancy tax return or pay a room occupancy tax?

ANSWER: A person who fails to file the room occupancy tax or pay the tax as required by law is subject to the civil and criminal penalties set by G.S. 105-236 for failure to pay or file a return for state sales and use taxes. The penalty per G.S. 105-236 is as follows:

- Failure to File Return – the penalty is 5% of the amount of the tax if the failure is not more than one month, with an additional 5% for each additional month, or fraction thereof, during which the failure continues. The maximum failure to return penalty is 25% of the tax due. The minimum is \$5.00.
- Failure to Pay Tax When Due – the penalty for failure to pay the tax when due, without intent to evade the tax, is 10% of the tax due or a minimum of \$5.00.

Any question regarding the room occupancy tax should be directed to the county finance officer at 828/884-3104.

QUESTION: Section 7-21 states that an operator of a business who collects a room occupancy tax may deduct from the amount remitted to the taxing county a discount equal to the discount the state allows the operator for state sales and use tax. What is the discount allowed?

ANSWER: Currently the state does not allow a discount; so the answer is zero discount. If the state changes, the same discount would be allowed.