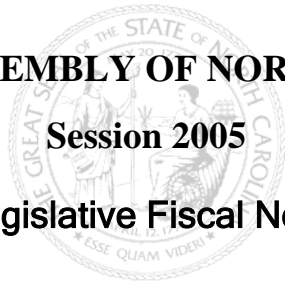


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2005

Legislative Fiscal Note

BILL NUMBER: House Bill 544 (First Edition)

SHORT TITLE: Madison County Occupancy Tax.

SPONSOR(S): Representative Rapp

FISCAL IMPACT					
	Yes (X)	No ( )	No Estimate Available ( )		
	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>
<b>REVENUES:</b>					
General Fund		*No General Fund Impact*			
Madison Co.	\$32,871	\$34,186	\$35,554	\$36,976	\$38,455
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> Madison County					
<b>EFFECTIVE DATE:</b> Becomes effective when law.					

**BILL SUMMARY:** House Bill 544 authorizes an additional 2% occupancy tax for Madison County. It also deletes obsolete language, modernizes and conforms the administrative provisions, and conforms the administrative costs that may be deducted from the gross proceeds of the tax to the guidelines supported by the North Carolina Travel and Tourism Coalition and adhered to by the House Finance Committee. Although the current authority provides for a Tourism Development Authority, its membership does not necessarily include representatives from the hotel/motel industry.

**ASSUMPTIONS AND METHODOLOGY:** In 2003-2004, the 3% room tax in Madison County raised \$45,588. This bill increases the rate to 5%.

Historically, Madison County's collections have been as follows:

Year	Amount	Each 1%
1999-00	39,394	13,131
2000-01	42,735	14,245
2001-02	43,042	14,347
2002-03	39,350	13,117
2003-04	45,588	15,196

Extending this trend suggests the following increase in total occupancy tax revenue as a result of a 2% increase in the rate:

Year	Amount	Each 1%
2005-06	32,871	16,436
2006-07	34,186	17,093
2007-08	35,554	17,777
2008-09	36,976	18,488
2009-10	38,455	19,228

**SOURCES OF DATA:** North Carolina Department of Revenue, North Carolina Department of State Treasurer

**TECHNICAL CONSIDERATIONS:** None

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

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Fiscal Research Division



**DATE:** June 22, 2005

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