

May 20, 2008

H 2290. BURGAW MEALS TAX. Filed 5/20/08. *TO AUTHORIZE THE TOWN OF BURGAW TO LEVY A PREPARED FOOD AND BEVERAGES TAX.*

Authorizes the Burgaw Board of Commissioners to levy after public notice and a hearing a food and beverage tax of up to one percent of the sales price of prepared food and beverages sold within the town at retail. Incorporates definitions in GS 105-164.3 and expands definition of prepared food to include alcoholic beverages that meet at least one of the conditions of prepared food under GS 105-164.3. Exempts from taxation the following: (1) prepared food and beverages served to residents in boardinghouses and sold together on a periodic basis with rental of a sleeping room or lodging, (2) retail sales exempt from sales and use tax, (3) retail sales through vending machines, (4) prepared food and beverages served by a retailer subject to the local occupancy tax if the charge for the prepared food and beverages is included in a single, nonitemized sales price together with the charge for rental of the accommodation furnished by the retailer, (5) prepared food and beverages furnished without charge by an employer to an employee, (6) retail sales by grocers or by grocery sections of supermarkets or other diversified retail establishments, other than sales of prepared food and beverages in the delicatessen or similar department of the grocer or grocery section, and (7) prepared food and beverages served on a federal military reservation. Requires retailers to collect tax and to remit taxes to the town by the fifteenth day of the month following the month in which the taxes were collected. Incorporates consistent provisions of Article 5 and Article 9 of Chapter 105 and the uniform meals tax penalty provision of GS 160A-214.1. Requires that the town refund to a nonprofit or governmental entity the prepared food and beverages tax paid by the entity on purchases for which the entity could obtain a sales and use tax refund or which are exempt from the sales and use tax if the entity complies with the application requirements and time limitations applicable to an application for a sales and use tax refund. Designates proceeds may be used in promoting travel and tourism and for tourism-related expenditures, including capital expenditures. Permits town to levy a tax no sooner than the first day of the fourth month after the date a resolution levying the tax is adopted. Permits tax to be repealed by resolution adopted by Burgaw Board of Commissioners, which may not take effect until the conclusion of the fiscal year in which adopted.

Intro. by Hughes.

PENDER