

CHAPTER 60: PRIVILEGE LICENSE TAX

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Statutory reference:

Privilege license taxes, see G.S. 160A-211

Specification of whether a city or town may levy a license tax on businesses taxed under Schedule B of the Revenue Act of 1939, see G.S. 105, Art. 2

§ 60.01 DEFINITIONS.

For the purpose of this chapter the following definitions shall apply unless the context clearly indicates or requires a different meaning.

"BUSINESS." Any trade, occupation, profession, business, franchise, or calling of any kind, subject by the provisions of this chapter to a license tax.

"ENGAGED (OR ENGAGING) IN BUSINESS WITHIN THIS TOWN." When a person engages in business activity of any type, either as owner or operator of the business:

- (1) By maintaining a business location within the town;
- (2) By soliciting business within the town; or
- (3) By performing services within the town.

"PERSON." Any individual, trustee, executor, other fiduciary, corporation, association, partnership, company, firm, or other legal entity or agent thereof.

"SEASONAL IN NATURE." When a business is taxed by this chapter on an annual basis, but is operated within the town for less than six months of the year.

§ 60.02 LICENSE TAX LEVIED.

A license tax is levied on the privilege of engaging in every business within this town which is listed in the schedule of taxes provided for in § 60.16. Any person so engaged in business shall be responsible for making certain that the applicable license tax is paid.

§ 60.03 TAX COLLECTOR; DUTIES.

(A) The Tax Collector is designated as the proper town official to collect license taxes and to issue privilege licenses.

(B) The Tax Collector shall make any investigation necessary to determine the tax liability of persons engaged in business within the town. If necessary, the Tax Collector is authorized to enter on the premises of any business during normal business hours for the purpose of determining whether this chapter has been complied with.

Cross-reference:

Tax Collector's duties, see § 21.03

Tax Collector's duties performed by Clerk, see § 21.02 (F)

§ 60.04 LICENSE; DUE DATE.

(A) Unless otherwise provided in the schedule of license taxes, each privilege license issued shall cover the 12-month period beginning July 1 of each calendar year and ending June 30 of the subsequent calendar year.

(B) The privilege license tax is due on July 1 of each year. If, however, a person begins a business after July 1, the tax for that year must be paid before the business is begun.

§ 60.05 APPLICATION; FALSE STATEMENT THEREON.

(A) Every person desiring to obtain a license for the privilege of engaging in a business within this town shall make application therefor in writing to the Tax Collector. The application, to be made on a form provided by the Tax Collector, shall contain the following information:

(1) Name and nature of the business for which the license is sought;

(2) The address where the business is conducted, and a mailing address for the business, if different;

(3) The name and address of the person filling out the application, and his relationship to the business;

(4) The gross receipts of the business for the most recently completed tax year, if applicable; and

(5) Any other information which the Tax Collector determines to be necessary.

(B) Any person who willfully makes a false statement on a license application shall be guilty of a misdemeanor.
Penalty, see § 10.99

§ 60.06 PRORATION OF TAX; SEASONAL BUSINESSES.

(A) Except when a tax is based on gross receipts, if a business is begun after January 31 but before July 1, the tax shall be one-half of the amount otherwise due.

(B) Except when a tax is based on gross receipts, a person engaged in a business which is seasonal in nature is liable for one-half of the amount of tax otherwise due.

§ 60.07 MULTIPLE BUSINESSES.

If a person is engaged in more than one business made subject to a license tax under this chapter, the person shall pay the license tax prescribed in the tax schedule in § 60.16 for each business, even if the businesses are conducted at the same business location.

§ 60.08 SEPARATE PLACES OF BUSINESS.

Unless otherwise provided by state law or by the tax schedule provided for in § 60.16, if a person engages in a business in two or more separate places, a separate license tax shall be required for each place of business. For purposes of this section, if a person engages in the same business at two or more locations within the town, which locations are contiguous, communicate with and open directly into each other, and are operated as a unit, the person is liable for only one license tax.

§ 60.09 DISPLAY OF LICENSE.

Each person issued a license under this chapter shall post the license in a conspicuous place in his regular place of business. If there is no regular place of business, the license shall be kept where it may be inspected at appropriate times by the Tax Collector. If a machine or other item of personal property is licensed, the license shall be affixed to the machine or item.
Penalty, see § 10.99

§ 60.10 CHANGE IN PLACE OF BUSINESS.

If a person who has obtained a license for a business taxed under this chapter desires to move from one business location to another within the town, the license which has been issued shall be valid for the remainder of the license year at this new location, and no additional tax need be paid. Within a reasonable time after the change in location, however, the person shall inform the Tax Collector of the change in address.

§ 60.11 NO ABATEMENT OF TAX.

If a licensee discontinues a business before the end of the period for which the license was issued, the license tax shall not be abated nor shall a refund of any part of the license tax be made.

§ 60.12 EFFECT OF LICENSE.

The issuance of a license under this chapter does not authorize the carrying on of a business for which additional licenses or qualifications are required by state or local law, nor does the issuance of a license prevent the town from enacting additional regulations applicable to the licensee.

§ 60.13 EXEMPTIONS.

(A) Any person who engages in business within this town for religious, educational, or charitable purposes shall be exempt from paying any privilege license tax levied by this chapter.

(B) Any blind person engaging in business within this town shall be exempt from paying any privilege license tax levied by this chapter to the extent provided by G.S. 105-249.

(C) Any person serving in any branch of the Armed Forces of the United States or in the merchant marine, and desiring to engage in business within this town, shall be exempt from paying any privilege license tax levied by this chapter during the period of service, to the extent provided by G.S. 105-249.1.

§ 60.14 UNLAWFUL TO CONDUCT BUSINESS WITHOUT A LICENSE.

(A) It shall be unlawful for any person to engage in a business within this town on which a privilege license tax is imposed by this chapter, without having paid the license tax specified in § 60.16 herein. Violators shall be guilty of a misdemeanor.

(B) The town may seek an injunction against any person engaging in business in violation of this section.

(C) A conviction under this section does not relieve a person of his liability for the license tax imposed by this chapter.
Penalty, see § 10.99

§ 60.15 COLLECTION OF UNPAID TAX.

(A) If a person begins or continues to engage in a business taxed under this chapter without payment of the required privilege license tax, the Tax Collector may use either of the following methods to collect the unpaid tax:

(1) The remedy of levy and sale or attachment and garnishment, in accordance with G.S. 160A-207; or

(2) The remedy of levy and sale of real and personal property of the taxpayer in accordance with G.S. 105-109(d).

(B) Any person who begins or continues to engage in a business taxed under this chapter without payment of the tax is liable for an additional tax of 5% of the original tax due for each 30 days or portion thereof that the tax is delinquent.

§ 60.16 SCHEDULE OF LICENSE TAXES.

Taxes shall be levied and collected on the trades, professions, agencies, business operations, and other subjects set out in the schedule of license taxes, hereby made a part hereof, which is on file in the town office. Privilege licenses shall be issued without charge.