

§110.01 GENERAL

1. **Definitions.** When used in this ordinance (unless the context requires a different meaning):
 - (a) “Person” includes any individual, trustee, executor, other fiduciary, corporation, unincorporated association, partnership, sole proprietorship, company, firm, or other legal entity.
 - (b) “Business” includes each trade, occupation, profession, business, and franchise taxed under this ordinance.
 - (c) A business is “seasonal” in nature when it is conducted for profit six months out of the year or less.
 - (d) “Tax Collector” includes any employee of the Town designated to administer the Privilege License Ordinance.
2. **Construction of this Ordinance.** This ordinance is enacted for revenue purposes only. Therefore, it should be construed to require payment of the maximum tax permitted under its terms. In addition, issuance of a license in accordance with this ordinance does not excuse a licensee from compliance with any other applicable ordinance or statute. This ordinance does not prevent the town from imposing license taxes on additional businesses, from increasing or decreasing the amount of any license tax, or from regulating any business taxed.

§110.02 LEVY

3. **Levy of Tax.** An annual privilege license tax is hereby levied on each business conducted within this town in the amounts as set forth in §110.05 of this ordinance.
4. **Who Must Pay Tax.** Each person who conducts a business within this town is subject to this ordinance. A person “conducts business” when he engages in one act of business taxed under this ordinance. He conducts the business “within the town” if he maintains a business location within the town; or if, either personally or through agents, he (1) solicits business within the town limits or (2) picks up or delivers goods or services with the town limits.
5. **Period of License; Due Date.**
 - (a) Annual licenses. Unless the section of this ordinance levying the privilege license tax applicable to a particular business provides otherwise, a license issued in accordance with this ordinance is good for the twelve-month period beginning July 1 and ending June 30. The tax is due on July 1 of each year. However, if a person begins a business after July 1 of a year, the tax for that year is due before the business is begun.
 - (b) Licenses for periods shorter than one year. If the section of this ordinance levying the privilege license tax applicable to a particular business so provides, a license may be issued for a period of one day, one week, or some comparable period of less than a full license year. A person may not commence a business conducted within the town and taxed under such a provision until the privilege license tax due is paid and may not continue such a business beyond the period for which the license is issued.
6. **Proration of Tax.** If a business is begun after January 31 and before July 1, the amount of tax due is half the amount otherwise due. If a business is seasonal in nature and if the amount of tax is not based on gross receipts, the amount of tax due is half the amount otherwise due.
7. **Refunds.** If for any reason a licensee discontinues his or her business during the license year, he or she is not entitled to a refund.

8. Separate Businesses. A separate license is required and a separate privilege license tax must be paid for each place of business unless two or more places of business under common ownership are contiguous to each other, communicate directly with and open into each other, and are operated as a unit. In addition a separate privilege license tax must be paid for each business taxable under this ordinance conducted by the taxpayer at any one location; however, the tax collector may issue a single license for all taxable business conducted at one location by a single taxpayer.

9. Exemptions.

- (a) Generally. Except as otherwise provided in this section or by state law, no person is exempt from the payment of a privilege license tax levied by this ordinance.
- (b) Charitable organizations. A person who operates a business for a religious, educational, civic, patriotic, charitable, or fraternal purpose, when the entire gross income of the business is used for such a purpose, is exempt from paying any privilege license tax levied by this ordinance.

§110.03 LICENSES

10. Application. A person shall apply to the tax collector for each license required by this ordinance no less than thirty days before the date the tax is due. The application, which shall be submitted on forms provided by the tax collector, shall contain:

- (a) The name of the applicant and whether the applicant is an individual, a partnership, a corporation, or some other entity;
- (b) The nature of the business;
- (c) Where the business is conducted;
- (d) An address where notices and statements may be mailed to as required by this ordinance; and
- (e) Any other information the tax collector determines to be necessary to compute the amount of tax due.

11. Reasons for Refusal or Revocation of a License. The tax collector shall refuse to issue a license or shall revoke a license for either of the following reasons:

- (a) The applicant misrepresents a fact relevant to the amount of tax due or his or her qualifications for a license.
- (b) The applicant refuses to provide information necessary to compute the amount of tax due.

12. Unqualified Applicants; Right to a Conference. After receipt of the completed application, if the tax collector believes that a reason exists for refusing a license under §110.03.11 of this ordinance, the tax collector shall refuse to accept payment of the tax and shall not issue the license. At the applicant's request, the tax collector shall, in accordance with §110.03.21 of this ordinance, give the applicant a written statement of the reason for refusing the license. The applicant may, within ten days after the day the statement is received, request a conference to discuss the refusal. In the request the applicant shall specify why the application for a license should not be refused. The tax collector shall arrange the conference within a reasonable time. If the collector refuses to issue a license, the applicant may reapply for a license at any time thereafter. If the reason for which the application was refused no longer exists, and if no other reason exists for refusing to issue a license, the tax collector shall issue the license in compliance with §110.03.13 of this ordinance.

13. Tax Collector to Issue License; Payment of Tax a Prerequisite. After the receipt of the completed application, if the tax collector believes that no reason exists for refusal of a license under §110.03.11 of this ordinance, the tax collector shall determine the amount of tax due and notify the applicant of that amount. The tax collector shall not issue a license until the tax is paid.

- 14. Amount of Tax Disputed.** If disputes arise over the amount the tax collector determines to be due, the applicant may either refuse to pay and request a conference with the tax collector to discuss the determination or pay the amount and request a conference to discuss the right to a refund. If a conference is requested, the tax collector shall arrange it within a reasonable time.
- 15. Revocation.** The tax collector shall revoke a license if a reason exists to revoke it as set forth in §110.03.11 of this ordinance. Before revoking a license, the tax collector shall give the licensee written notice of the grounds for revocation, in accordance with §110.03.21 of this ordinance. The licensee may, within ten days after the day on which notice is received, request a conference with the tax collector in writing. The request shall specify the reasons why the license should not be revoked. The tax collector shall arrange the conference within a reasonable time. If the licensee fails to request a conference within ten days after the day on which notice was received, the tax collector shall revoke the license. If the licensee requests a conference, the tax collector may not revoke the license until after the conference. If the tax collector revokes a license, the former licensee may apply for a new license at any time thereafter. If the reason for which the license was revoked no longer exists and if no other reason exists for refusing to issue a license, the tax collector shall issue the license in accordance with §110.03.13 of this ordinance.
- 16. Form and Contents of License.** A license shall show the name of the person licensed, the place where the business is conducted (if it is to be conducted at one place), the nature of the business licensed, the period for which the license is issued, and the amount of tax paid. In addition, if a machine is licensed, the license shall show the serial number of the machine. The tax collector shall keep a copy of each license issued.
- 17. Assignments.** A license may be assigned if (1) a business under this ordinance and carried on at a fixed place is sold as a unit to any person, and (2) the purchaser is to carry on the same business at the same place. Such a change shall be reported to the tax collector in accordance with §110.03.18 of this ordinance. Otherwise, each license issued under this ordinance is a personal privilege and is not assignable.
- 18. Changes in the Business Conducted by Licensee During the Tax Year.** A licensee or an assignee shall report a change in the information contained in the license application to the tax collector within ten days after the change occurs. If information shown on the license itself is affected, the licensee or assignee shall surrender the license to the tax collector when reporting the change.
- (a) Changes affecting the amount of tax due. If there are no reasons for revoking the license under §110.03.11 of this ordinance and the change results in the imposition of a separate or additional tax, the tax collector shall reissue a license reflecting the change upon payment of the separate or additional tax.
 - (b) Changes not affecting the amount of tax due. If there are no reasons for revoking the license under §110.03.11 of this ordinance and the change does not result in an imposition of a separate or additional tax, the tax collector shall reissue a license reflecting the change upon payment of a fee as shown in §110.05 of this ordinance.
 - (c) Change requiring refusal of a license. If there is reason for revoking the license under §110.03.11 of this ordinance, the tax collector shall refuse to reissue a license and shall instead begin proceedings to revoke the license in accordance with §110.03.15 of this ordinance.
- 19. Tax Collector to Furnish Duplicates.** Upon satisfactory proof that a license has been lost or destroyed, the tax collector shall furnish a duplicate for a fee as shown in §110.05 of this ordinance.
- 20. Record of Conferences.** The tax collector shall maintain for three years a record of each conference held in accordance with this ordinance. The record shall contain the

applicant's or licensee's name, the date of the conference, and a brief statement of the issues discussed and the result reached. After three years, the tax collector shall dispose of the record in accordance with G.S. 121-5.

- 21. Providing Notice to an Applicant or Licensee.** Whenever this ordinance requires the tax collector to give a written statement or notice to an applicant or licensee, the tax collector may do so in one of three ways:
- (a) By personally delivering the statement or notice to the applicant or licensee;
 - (b) By mailing the statement or notice by registered or certified mail and returning the receipt requested to the address specified for that purpose in the license application; or
 - (c) By causing the statement or notice to be served on the applicant or licensee in accordance with the procedures for service of process under Rule 4, North Carolina Rules of Civil Procedure.

§110.04 ENFORCEMENT & COLLECTION

- 22. Duty to Determine Whether Tax is Due.** Each person has the duty to determine whether the business he or she conducts is taxed under this ordinance and if so, whether that tax has been paid for the current tax year.
- 23. Tax Collector to Investigate.** If the tax collector has reason to believe that a person is conducting a business in the town in violation of this ordinance, the tax collector shall conduct an investigation to determine the person's tax liability.
- 24. Duty to Permit Inspection.** Each person who conducts business in the town shall permit the tax collector to inspect the business premises during normal business hours to determine the nature of the business conducted there and to examine the books and records to determine the nature and amount of business transacted.
- 25. Duty to Post License.** A licensee shall post the license or licenses conspicuously in the place of business licensed. If the licensee has no regular place of business, the license must be kept where it may be inspected at all times by the proper town officials. If a machine is licensed, the license shall be affixed to the machine.
- 26. Notice of Deficiency.** If the tax collector determines that a person has not paid the full amount of tax due under this ordinance, either for the current license year or for a prior license year, the tax collector shall give the person written notice of the deficiency, in accordance with §110.03.21 of this ordinance. The notice of deficiency shall specify the total amount of tax due; the section of this ordinance upon which the tax is based; the amount of tax paid; any interest due, the balance owed; the manner and time period in which the person may respond to the notice of deficiency; and the consequences of failing to respond as specified.
- 27. Request for a Conference.** The person may, within ten days after the day on which notice is received, request a conference in writing. The request shall specify the person's objections to the notice of deficiency. By way of illustration but not limitation, a person who receives a notice of deficiency may object on the following grounds:
- (a) That the tax due has already been paid;
 - (b) That the tax collector miscalculated the amount of tax due;
 - (c) That the tax collector based his calculation on incorrect or insufficient information concerning either the nature or the amount of business conducted; or
 - (d) That the tax collector based the determination on an erroneous interpretation of a section of this ordinance that establishes a category of business subject to a particular tax.
- 28. Deficiency to Become Final.** If the taxpayer fails to request a conference under §110.04.27 of this ordinance, the deficiency becomes final and the tax collector shall proceed to collect the deficiency.

29. Conference Held. If the taxpayer requests a conference, the tax collector shall not proceed to collect the deficiency until hearing the taxpayer's objections and determining that the deficiency should become final. The tax collector shall maintain a record of each conference held for three years in accordance with §110.04.20 of this ordinance. The record shall contain the name of the taxpayer, the date of the conference, a brief statement of the issues discussed, and the results of the discussion. After three years, the tax collector shall dispose of the record in compliance with G. S. 121-5.

30. Collection of Deficiency.

- (a) The tax collector may use any of the following methods to collect a deficiency:
- (1) Criminal prosecution in accordance with §110.04.31(a) of this ordinance;
 - (2) Equitable relief in accordance with §110.04.31(b) of this ordinance; or
 - (3) The remedies of levy, sale, attachment and garnishment in accordance with G.S. 160A-207.
- (b) Any person who continues to conduct a business taxed under this ordinance without payment of the tax is liable for the additional tax of five percent every thirty days as imposed by G.S. 105-109.

31. Enforcement of Ordinance.

- (a) Criminal remedies. Conducting business within this town without having paid the privilege license tax imposed by this ordinance, or without a valid license issued in accordance with this ordinance, or without posting a license in compliance with §110.04.25 of this ordinance is a misdemeanor, punishable as provided in G.S. 105-109 or 14-4. Each day that a person conducts business in violation of this ordinance is a separate offense. Payment of a fine imposed in criminal proceedings in accordance with this section does not relieve a person of the liability for taxes imposed under this ordinance.
- (b) Equitable remedies. In addition to the criminal remedies set forth in subsection (a) of this section and in compliance with G.S. 160A-175(d), the town may seek an injunction against any person who conducts a business in violation of this ordinance.

§110.05 SCHEDULE OF PRIVILEGE LICENSE TAXES (per NC General Statutes)

*NC Licensed Contractors MUST provide their license # to qualify for the contractor rate _____

Category	Amount
Advertising/Outdoor (signs, billboards)	\$35.00
Amusement: General	\$25.00
Automobile: Service Station	\$12.50
Automobile: Wholesale Supply Dealers	\$37.50
Automatic Machines/Service & Repair	\$25.00
Barber, Beautician, Manicurist-State Licensed: \$2.50/per operator x # of operators	
Bicycles (dealer, renting or repairing)	\$25.00
Billiard & Pool Tables	\$25.00
Bowling Alleys: \$10/per alley x # of alleys	
Campgrounds, Trailer Parks or Tent Camping	\$12.50
Chain or Branch Store (per store)	\$50.00
Check Cashing for a Fee	\$100.00
Coin Operated DryClean Machine (Laundromat)	\$50.00
Collection Agency GS 105-45	\$50.00
Contractor: Construction, Grading or Building (*Must be State Licensed)	
DayCare Center: based on # of Children Enrolled	
0-49	\$50.00
50-99	\$100.00
100-149	\$200.00
150-199	\$300.00
200 or more	\$400.00
Dry Cleaners	\$50.00
Electrical Contractors	\$50.00
Electronic Video Games: \$5/per machine x # of machines	
Elevators (Selling or Installing)	\$100.00
Employment Agency	\$100.00
Express Companies (ex: FedEx)	\$75.00
Firearm Dealers	\$50.00
Flea Market/Specialty Market	\$200.00
Fortune Teller/Palmists	\$559.00
Gasoline & Oil Distributor (every person, firm or corporation)	\$50.00
Going Out of Business Sale (see Town Clerk)	
HVAC Contractor	\$50.00
Hotels & Motels: \$25 min. - \$1/per room x # of rooms	
Ice Cream (Retail/Counter Sales)	\$2.50
Ice Cream Mfg. & Wholesale Per Freezer (see GS for tax amount)	
Itinerant Merchant/Kiosk	\$100.00
Junk Dealers	\$70.00
Laundry, Laundromat, Linen, Uniform Rental	\$50.00

Category	Amount
Loan Agencies	\$100.00
Massage Therapist/Masseuse (Not Licensed by State Under Art of Healing)	\$25.00
Merchandising/Vending Machine Operating: 5 or more machines - Exempt	
4 or less machines - See Sundries	
Motor Vehicle Dealers (Auto New or Used)	\$25.00
Motor Cycle Dealers	\$12.50
Music Machines/Juke Boxes: \$5/per machine x # of machines	
Packing Houses/Meat	\$105.00
Pawnbrokers	\$275.00
Pianos, Organs, Radios, CDs, TVs, etc. Sales/Repairs	\$5.00
Pinball Machines/Games & Devices (each location)	\$25.00
Plumber Contractor	\$50.00
Promotions, Exhibits or Shows Where Admission is Charged / # of rooms	\$25.00
Restaurants/Cafeterias: based on # of seats	
Seating for 1 -4	\$25.00
Seating for 5 or more	\$42.50
Shooting Gallery or Device for Sports Play	\$25.00
Sign Hanger/Erector	\$35.00
Skating Rink/Swimming Pool or Other Recreational Activity	\$25.00
Sprinkler System-Automatic (Selling/Installing)	\$100.00
Sundries (Sandwiches, Drinks, Tobacco, Food)	\$4.00
Telegraph Companies	\$50.00
Theaters (Movie) \$200/per screen x # of screens	
Undertaker/Retail Sale of Coffins	\$50.00
Video Games Coin/Token: \$5/per machine x # of machines	
Video Rental or Sales	\$25.00
Weapons Other (Bowie Knives, Dirk, Daggers, Leaded Canes, etc.)	\$200.00
Wrestling/Boxing Promoter	\$50.00

All Others - (Anything Not Specifically Listed on this Schedule, and not Exempt per N.C. GS) - Pay Town of Harrisburg Flat Rate	\$25.00
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Printing of a license to reflect changes that do not affect amount of tax due.	\$2.50
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Printing a duplicate license for one that has been lost or destroyed.	\$2.50
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