

# FACT SHEET: ACCOMMODATIONS TAXES



The Town of Oak Island levies an occupancy tax on all rentals of hotel/motel rooms, homes, cottages or other lodging facilities that are rented to the same person for less than 90 continuous days. This tax on accommodations is currently levied at 5% of gross receipts. The 5% is derived from a 3% tourism-related tax and a 2% beach protection and renourishment tax<sup>i</sup>.

Taxes reports and accompanying tax payment must be filed with the Town monthly by the 20<sup>th</sup> day of the month following the reporting month. This means that the tax report for rental monies collected from January 1-January 31 is due to the Town by February 20. This is the case throughout the year, so the report for monies collected June 1-June 30 is due by July 20.

An Accommodations Tax report declaring the gross receipts should be submitted to the Town for all rented units each month. Even if there was no rental income for that period, a report must still be filed noting this. If the property is listed with a rental agency, the rental agency is responsible for reporting and paying the tax.

By N.C. state law, a person, firm, corporation or association who fails or refuses to file a room occupancy tax return or pay a room occupancy tax as required by law is subject to civil and criminal penalties just as if they failed to file State sales and use taxes.<sup>ii</sup>

According to state law, the penalty for failure to file the report is 5% per month (or portion thereof) of delayed filing, up to a maximum of 25% of the tax due. An additional 10% of the tax due is charged as a penalty for non-payment of this tax. However, in cases of gross misstatement or fraudulent misrepresentation, the penalties can be higher and can go as high as 50% of the taxes due.<sup>iii</sup>

Tax forms are officially filed with the Town's Finance Officer. For proper crediting of payments, the tax report should be submitted with payment to one of the Customer Service Representatives at the Cash Collections windows in Town Hall; or should be mailed to:

Town of Oak Island  
Attn: A-Tax Reports  
4601 E. Oak Island Dr.  
Oak Island, NC 28465

Additional Accommodations Tax Forms are available from the Town's website at [www.oakislandnc.com](http://www.oakislandnc.com) by going to Administration/Finance Department page and clicking the link to the left for Forms.

For additional information regarding Oak Island's Accommodations Taxes, please contact Danielle Bartlett at 910-201-8079.

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<sup>i</sup> N.C. S.L. 1997-364

<sup>ii</sup> N.C.G.S. 160A-215(e)

<sup>iii</sup> N.C.G.S. 105-236