

REQUEST FOR BOARD ACTION
HENDERSON COUNTY
BOARD OF COMMISSIONERS

MEETING DATE: August 4, 2025

SUBJECT: Henderson County Occupancy Tax Levy

PRESENTER: Commissioner Jay Egolf

ATTACHMENT(S): Memorandum on Henderson County Occupancy Tax

SUMMARY OF REQUEST:

Commissioner Egolf has requested discussion on the occupancy tax rate levied by Henderson County. The attached memorandum provides a briefing on the current rate and a history of occupancy tax in the County.

Staff is available to provide additional information as requested.

No motion is suggested at this time.



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Memorandum

TO: Board of Commissioners of Henderson County

FROM: Charles Russell Burrell 

DATE: 29 July 2025

RE: Occupancy tax in Henderson County

This document is a public record under North Carolina Public Records law, pursuant to N.C. Gen. Stat. §132-1.1.

Chairman Lapsley asked me to provide a Memorandum briefing you on the Henderson County occupancy tax.

The General Assembly authorized an occupancy tax to be levied in Henderson County in 1987, via a local bill (Session law 1987-172), half of which applied to various cities in North Carolina. The terms of SL 1987-172 have been amended several times, most recently (and most extensively) in 2012 and 2013. The net effects of the 2012 and 2013 amendments were:

- Creation of the Henderson County Tourism Development Authority, with the revenue from the occupancy tax to be collected by the County but paid to the Authority. The decision to impose the occupancy tax is that of the Board of Commissioners. If imposed, the minimum that can be imposed is three percent (3%) of the “gross receipts derived from the rental of any room, lodging, or similar accommodation furnished by a hotel, motel, inn, or similar place within the county that is subject to sales tax imposed by the State.”
- Raising (from five percent (5%) to six percent (6%)) the maximum occupancy tax which can be charged.
- Revising the permitted uses of the net proceeds (the County is allowed to deduct a small amount reimbursing its expenses in connection with collecting the tax).

The current occupancy tax levy is five percent (5%).

The permitted uses of any occupancy tax revenue in Henderson County are as follows:

- Two-thirds must be used “to promote travel and tourism in Henderson County”. The quoted term means to advertise or market an area or activity, publish and distribute pamphlets and other materials, conduct market research, or engage in similar promotional activities that attract tourists or business travelers to the area. The term includes administrative expenses incurred in engaging in the listed activities.
- One-third must be used for “tourism-related expenses”. These are expenditures that, in the judgment of the Authority, are designed to increase the use of lodging facilities, meeting facilities, or convention facilities in a county or to attract tourists or business travelers to the county. The term includes tourism-related capital expenditures.



North Carolina Counties: Occupancy Taxes

\$325.9 million was generated by the 82 county occupancy taxes in FY 2021-22. The proceeds were divided among counties, tourism development authorities, chambers of commerce, a few municipalities, and other entities.

The General Assembly must authorize each occupancy tax. It also sets the tax rate and specifies how collections must be distributed.

In 2023, the General Assembly granted new taxing authority to the following counties: Avery, Davidson, and Iredell (up to 6%, unincorporated areas); Bertie (up to 6%); Stokes and Warren (up to 5%); Union (up to 1%); and Wilkes (up to 6%, excluding one town). For more information on these new taxes and other occupancy tax changes, see [Session Law 2023-144](#).

FY 2021-22 County Occupancy Tax Rates and Net Collections (\$ in \$1,000)

County	Rate	Collections	County	Rate	Collections	County	Rate	Collections
Alamance	3%	\$ 1,305.1	Franklin	6%	\$ 83.9	Pamlico	-	\$ -
Alexander	6%	67.9	Gaston	3%	1,782.9	Pasquotank	6%	893.4
Alleghany	-	-	Gates	-	-	Pender	3%	46.4
Anson	6%	48.8	Graham	3%	459.7	Perquimans	6%	38.6
Ashe	3%	599.3	Granville	6%	288.4	Person	6%	408.7
Avery	-	-	Greene	-	-	Pitt	6%	2,590.1
Beaufort	-	-	Guilford	3%	6,471.5	Polk	3%	464.0
Bertie	-	-	Halifax	5%	1,187.2	Randolph	5%	1,325.9
Bladen	-	-	Harnett	3%	765.9	Richmond	3%	519.7
Brunswick	3%	2,795.9	Haywood	4%	2,928.1	Robeson	-	-
Buncombe	6%	37,537.3	Henderson	5%	3,703.8	Rockingham	3%	495.9
Burke	6%	881.6	Hertford	3%	57.0	Rowan	6%	1,287.1
Cabarrus	6%	6,128.1	Hoke	-	-	Rutherford	6%	2,889.0
Caldwell	3%	258.6	Hyde	5%	1,188.0	Sampson	6%	202.1
Camden	6%	24.5	Iredell	-	-	Scotland	6%	557.9
Carteret	6%	13,286.1	Jackson	4%	2,633.0	Stanly	6%	456.9
Caswell	3%	23.2	Johnston	3%	1,157.5	Stokes	-	-
Catawba	-	-	Jones	-	-	Surry	6%	189.3
Chatham	3%	185.6	Lee	3%	334.6	Swain	4%	2,006.7
Cherokee	4%	810.7	Lenoir	3%	319.9	Transylvania	5%	2,077.1
Chowan	5%	258.9	Lincoln	3%	282.8	Tyrrell	6%	16.9
Clay	3%	131.1	Macon	3%	2,367.7	Union	-	-
Cleveland	3%	976.1	Madison	5%	939.7	Vance	6%	479.1
Columbus	3%	192.3	Martin	6%	329.8	Wake	6%	29,101.5
Craven	6%	2,358.9	McDowell	5%	1,134.7	Warren	-	-
Cumberland	6%	8,152.8	Mecklenburg	8%	62,916.7	Washington	6%	162.7
Currituck	6%	17,936.3	Mitchell	3%	145.9	Watauga	6%	4,302.8
Dare	6%	47,115.9	Montgomery	6%	181.0	Wayne	1%	215.4
Davidson	-	-	Moore	3%	3,052.6	Wilkes	-	-
Davie	3%	160.0	Nash	5%	2,125.9	Wilson	6%	1,356.9
Duplin	6%	260.3	New Hanover	3%	10,943.5	Yadkin	6%	40.2
Durham	6%	11,171.0	Northampton	6%	156.5	Yancey	3%	316.7
Edgecombe	6%	114.6	Onslow	3%	3,841.0			
Forsyth	6%	7,162.4	Orange	3%	1,661.8			
Statewide							\$325,825.8	