



What is the Prepared Food and Beverage Tax?

- A 1% tax that is applicable to all prepared food and beverages sold at retail for consumption, on or off the premises
- Prepared food and beverage is defined as any food or beverage which has been altered by preparing, combining, dividing, heating or serving in order to make the food or beverage available for immediate consumption
- Applies to any retailer with sales in Cumberland County that are subject to sales tax imposed by the State of North Carolina under N.C.G.S. 105-164.4(a)(a)
- A tax in addition to the sales tax collected and remitted to the State of North Carolina for the combined general state rate and local rate



Who Pays the Tax?

- The customer is charged the tax as a part of the total charge for the prepared food and beverage
- The business collects the tax and holds it as a trustee for the county, then remits to the county by the 25th of each month



Who collects the tax?

- Restaurants
- Cafes
- Cafeterias
- Coffee shops
- Grills
- Snack bars/carts
- Lounges
- Bars

- Taverns
- Mobile vendors
- Vendors at sporting, cultural and entertainment events
- Fast food establishments
- Drive-in establishments
- Private club dining facilities
- Caterers
- Independent bakeries
- Grocer and independent delicatessens
- Convenience store/marts
- Luncheon counters/soda fountains at drugstores
- Nightclubs
- Wet bars
- Concession stands
- Ice cream parlors/shops
- Employee cafeterias that charge for food and beverages
- Any other establishment, place of business or enterprise maintaining facilities, equipment, services or inventory for the sale of any type or kind of prepared food, food product, meal or beverage sold to consumers

For More Information

- **Telephone**
(910) 678-7590
- **Office Visit**
Cumberland County Courthouse
117 Dick Street
5th Floor Room 527
Fayetteville, NC 28301
Monday - Friday, 8:00 am - 5:00 pm
- **Internet:**
www.co.cumberland.nc.us
- **Mail:**
Cumberland County Tax Administrator
P.O. Box 449
Fayetteville NC 28302-0449

Q&A

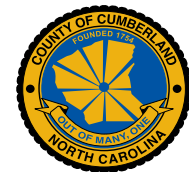
ABOUT Special Taxes

Room Occupancy Tax

Rental Vehicle Gross Receipts Tax

Heavy Equipment Rental Gross Receipts Tax

Prepared Food and Beverage Tax



CUMBERLAND
★ COUNTY ★
NORTH CAROLINA

TAX ADMINISTRATION

What is the Room Occupancy Tax?

- A 6% tax imposed and levied on the gross receipts derived from the rental of any sleeping room or lodging
- Applies to same entities that are subject to the sales taxes imposed by the State of North Carolina under N.C.G.S. 105-164.4(a)(3)
- A tax in addition to the sales tax collected and remitted to the State of North Carolina for the combined general state rate and local rate

What is the Rental Vehicle Gross Receipts Tax?

- This tax is for any rental vehicle that is offered at retail for short-term lease or rental and is owned or leased by an entity engaged in the business of leasing or renting vehicles to the general public
- The tax rate is 1.5% for Cumberland County and an additional 1.5% if the rental location is situated within the city limits of Fayetteville, Hope Mills, Spring Lake or Stedman

What is the Heavy Equipment Rental Gross Receipts Tax?

- This tax is for any rental of heavy equipment at retail by a person whose principal business is the short-term lease or rental of heavy equipment
- The tax rate is 1.2% for Cumberland County and an additional 0.8% if the rental location is situated within the city limits of Fayetteville, Eastover, Linden, Spring Lake, Stedman or Wade

Who Pays the Tax?



- The customer is charged the tax as a part of the charge for the sleeping room or lodging
- The business collects the tax and holds it as a trustee for the county, then remits to the county by the 20th of each month

What is a Rental Vehicle?



- A motor vehicle of the private passenger type, including a passenger van, mini-van, sport utility or recreational vehicle
- A motor vehicle of the cargo type, including a cargo van, pickup truck or truck with a gross vehicle weight of 26,000 pounds or less used predominately in the transportation of property other than commercial freight and does not require the operator to possess a commercial driver's license
- A trailer or semi-trailer with a gross vehicle weight of 6,000 pounds or less

What is Heavy Equipment?



- A self-propelled vehicle that is not designed to be driven on a highway
- Industrial lift equipment, industrial material handling equipment, industrial electrical generation equipment, or a similar piece of industrial equipment
- Attachments for heavy equipment, regardless of the weight of the attachment
- Earthmoving, construction or industrial equipment that is mobile, weighs at least 1,500 pounds and meets any of the descriptions above

Who collects the tax?

- Hotels
- Motels
- Inns
- Tourist homes
- Tourist camps
- Similar businesses and persons who rent private residences/cottages to transients
- Real estate agents or brokers who rent any such accommodations to transients on behalf of the owners

Who Pays the Tax?

- The customer is charged the tax as part of the charge for the short-term lease or rental of the vehicle
- The business collects the tax and holds it as a trustee for the county, then remits to the county by the 20th of each month

Who Pays the Tax?

- The customer is charged the tax as part of the charge for the short-term rental of heavy equipment
- The business collects the tax and holds it as a trustee for the county, then remits to the county by the last day of the month following the end of the calendar quarter