

NCRLA
North Carolina Restaurant
and Lodging Association

Mr./Ms. _____
Candidate for Mayor or City Council -Greensboro, N.C.
Discussion of Proposed Meals Tax

Dear _____:

The North Carolina Restaurant and Lodging Association (NCRLA) understands that there has been discussion in the current municipal election about whether the City Council should ask the General Assembly for authority to levy a meals tax on the restaurants and citizens of Greensboro. NCRLA and our local members strongly oppose any such tax, and ask you to consider the following:

1. A meals tax targets customers at restaurants and deli counters in grocery stores to fund projects or facilities that everyone in the community uses. If a new aquarium or improvements to the Coliseum are needed, why shouldn't all citizens contribute?
2. Unlike occupancy taxes, which are paid primarily by visitors to our area, meals taxes are just the opposite – a majority of the revenue comes from local citizens who either eat out or pick up a prepared dish at the store.
3. The General Assembly has specifically authorized counties to levy a one-quarter cent sales tax to fund local needs. Since the Coliseum greatly benefits both the City and County, has the Council approached Guilford County about using this taxing authority? An increase in the sales tax would apply across the board to all goods and covered services – not singling out one industry.
4. Out of 100 counties and 500+ municipalities, the General Assembly has only authorized 5 local governments to levy a meals tax – 4 counties (Wake, Mecklenburg, Cumberland and Dare) and the Town of Hillsborough. The legislature has not granted this authority to any other local government in the last 17 years. The only exceptions were the City of Monroe and the City of Durham. In Monroe, the proposal was put to a referendum in 2007, and it was defeated overwhelmingly. In Durham, the tax was put to a vote in 2008 and defeated 70% to 30%.
5. NCRLA, has a long-standing position against any new meals taxes and would vigorously oppose any local legislative request.

The current economic downturn has affected the restaurant business all across our city. With food costs increasing and the economy slumping, many are struggling to survive. Because this proposed tax would target customers of one segment of the retail market, and would hurt our business at a time when we can least afford it, we respectfully ask you NOT to pursue a meals tax if elected. If alternative revenue sources are necessary to fund worthwhile projects, we recommend that the Council look at taxes or fees that apply across the board to all citizens and property owners in Greensboro.

Thank you for considering our position on this important matter.

Sincerely yours,



Paul M. Stone
President & CEO