



On the Ballot

# Occupancy Tax Proposal

Funded by  
Visitors,  
Not  
Residents

## Frequently Asked Questions

### What is an Occupancy Tax?

An occupancy tax, also known as a hotel or lodging tax, is paid by people who stay in a short-term rental accommodation, like a hotel or Airbnb. North Carolina law requires the taxing authority to use occupancy taxes for tourism-related promotion and expenses.

### Who Pays an Occupancy Tax?

Only visitors or guests who use short-term rental properties or future hotels in Indian Trail will pay the occupancy tax. The only way a resident would pay is if they stayed in one of these properties.

### Will the Occupancy Tax increase my property taxes?

NO. It will not increase property taxes. The Occupancy Tax is only paid by those who stay in short-term rental properties. The Occupancy Tax is like a fee. Fees are only paid by those who use the amenities.

### What Will This Proposed Tax Pay for?

According to NC law, occupancy tax revenues can only be used for tourism-related purposes, including promoting tourism and travel. Other communities use occupancy taxes to pay for event venues, sporting arenas, or recreational spaces. Indian Trail could use the revenues to invest in tourism-related amenities, such as enhancing our parks and recreational offerings, a future multigenerational community center, and supporting downtown business development.

### What other communities have an Occupancy Tax?

Most cities, especially those near places frequently traveled to for tourism or business, have an occupancy tax. At least 90 of the 100 counties in North Carolina have an Occupancy Tax. Of the cities not covered by a county tax, at least 110 have an Occupancy Tax, including our neighbors in Monroe. When you travel, you are most likely paying an occupancy tax to another community.

### When do I vote?

Registered voters can vote FOR or AGAINST the proposed occupancy tax in the general election on November 4, 2025.



### Who Pays?

Visitors who use short-term rental properties or hotels in Indian Trail.



### Who Benefits?

The entire Indian Trail community.



### What is the rate?

The proposed rate is up to 5% of the rental cost.



# Frequently Asked Questions

## **Are any rental accommodations exempt from the Occupancy Tax?**

The only types of accommodation rentals exempted from occupancy taxes are:

- A privately owned residence/cottage rented for fewer than 15 days per year (unless the residence is listed with a rental agent, in which case the rental revenue is subject to occupancy taxes regardless of how many days the residence is rented during the year);
- Rentals of more than 90 continuous days; and,
- Accommodations related to schools or camps that charge tuition or fees for enrollment.

## **Why is it On the Ballot?**

The Town of Indian Trail has been working with the NC General Assembly for years to shepherd this ballot initiative through the legislative process. Last year, the legislature finally gave the Town approval to place it on the ballot. The Town Council voted to put the question to voters in this November's election. Indian Trail desires to give its residents a chance to join 90 other counties and 110 cities in North Carolina that have an occupancy tax. The occupancy tax will provide a dedicated source of revenue for the Town. For example, Monroe received more than \$800,000 in occupancy tax revenue to use to promote travel and tourism and other tourism-related expenses.

## **What will happen after the vote takes place?**

If a majority of Indian Trail voters vote FOR the measure, then it will pass, and the Town of Indian Trail will work on implementing the Occupancy Tax in accordance with North Carolina laws. This includes forming a Tourism Committee.

If a majority of Indian Trail voters vote AGAINST the measure, nothing will change, and the occupancy tax will not be implemented.

## **If the Town doesn't have a hotel, why is an Occupancy Tax on the ballot?**

Indian Trail already has approximately 50 short-term rental properties, such as Airbnb, in the Town that could begin generating Occupancy Tax revenue. Additionally, the Town believes it is important to plan for the future. While the Town does not have a hotel now, the plan is to have one (or more) in the future. When that time comes, the Occupancy Tax will already be in place so the Town and its residents can begin benefitting from it.

## **When does the Town anticipate getting a hotel?**

In 2019, the Indian Trail Town Council approved a hotel for a site along Highway 74. However, the lack of sewer capacity in Union County has delayed the project. As such, there is no timeline for a hotel.

## **Who can I contact for more information?**

Please contact Communications Director Abbey Ball at 704-821-5401 or [anb@indiantrail.org](mailto:anb@indiantrail.org) to request additional information about potential speaking opportunities.

**Learn More: [www.indiantrail.org/1808/Occupancy-Tax](http://www.indiantrail.org/1808/Occupancy-Tax)**