

June 26, 2023

Hon. Nancy Vaughan
Mayor – City of Greensboro
Greensboro City Hall
300 West Washington Street
Greensboro, N.C. 27401

Re: Proposed Meals Tax

Dear Mayor Vaughan:

We understand from press accounts that the City Council is considering asking the General Assembly for authority to levy a meals/food tax on the citizens of Greensboro and Guilford County in order to fund various facilities in Greensboro. For decades, the North Carolina Restaurant & Lodging Association has stood in firm opposition to meals and food taxes and there has not been a new such tax authorized in our state in over 30 years.

We ask that you and Council Members to consider the following:

1. A meals/food tax discriminately targets city/county residents who frequent restaurants and deli counters in grocery stores and redirects those tax revenues to fund projects or facilities that everyone can use. If improvements to the Coliseum/Tanger Center are needed, why not consider an admissions fee or facility fee paid by those who attend events?
2. Meals/food taxes are generally considered regressive and unfairly target low-income residents of your city and county who depend on out of home prepared meals to feed themselves and their families.
3. Unlike occupancy taxes, which are paid primarily by visitors to the area, meals/food taxes are just the opposite – most of the revenue comes from local citizens who either eat out or pick up a prepared dish at the deli counter.
4. The General Assembly specifically authorized counties to levy a one-quarter cent sales tax to fund local needs. Since the Coliseum/Tanger Center greatly benefits both the City and County, has the Council approached Guilford County about using this taxing authority?
5. Out of 100 counties and 500+ municipalities, the General Assembly has only authorized 5 local governments to levy a meals/food tax – 4 counties (Wake, Mecklenburg, Cumberland and Dare) and the Town of Hillsborough. The Legislature has not granted any jurisdiction similar authority in more than 20 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%.

Coming out of the pandemic, restaurants are just now beginning their comeback. They continue to struggle with increased labor and food costs. Many have already been forced to increase menu prices. A meals/food tax addition would be another increase in pricing on the consumer, making going to restaurants less and less affordable. An increased tax on your citizens and restaurant customers would hurt both consumers and foodservice establishments at a time when they can least afford it. NCRLA respectfully asks you NOT pursue a meals/food tax.

If alternative revenue sources are necessary to fund worthwhile projects, we recommend that the Council look at taxes that apply across the board to all citizens and property owners in Greensboro, or user fees that are paid by those residents and visitors who frequent facilities and attend events.

Thank you for considering our position on this important matter.

Sincerely yours,



Lynn Minges, President & CEO

cc: City Council
City Manager
NC Senate
NC House of Representatives