

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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HOUSE BILL 322

Short Title: Increase State Admissions Tax.

(Public)

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Sponsors: Representative Gamble.

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Referred to: Finance.

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March 25, 1991

A BILL TO BE ENTITLED

1 AN ACT TO INCREASE THE STATE TAX ON GROSS RECEIPTS DERIVED  
2 FROM THE BUSINESS OF OFFERING ENTERTAINMENT OR AMUSEMENT  
3 FOR WHICH AN ADMISSION IS CHARGED, AND TO PROVIDE THAT  
4 MOTION PICTURES SHALL BE TAXED IN THE SAME WAY AS OTHER  
5 ENTERTAINMENT.  
6

7 The General Assembly of North Carolina enacts:

8 Section 1. G.S. 105-36.1 and G.S. 105-37 are repealed.

9 Sec. 2. G.S. 105-37.1(a) reads as rewritten:

10 "(a) Every person, firm, or corporation engaged in the business of giving, offering  
11 or managing any form of entertainment or amusement not otherwise taxed or  
12 specifically exempted in this Article, for which an admission is charged, shall pay an  
13 annual license tax of fifty dollars (\$50.00) for each room, hall, tent or other place where  
14 such admission charges are made.

15 In addition to the license tax levied above, such person, firm, or corporation shall  
16 pay an additional tax upon the gross receipts of such business at the rate of ~~three percent~~  
17 ~~(3%)~~ six percent (6%). Reports shall be made to the Secretary of Revenue, in such  
18 form as he may prescribe, within the first 10 days of each month covering all such gross  
19 receipts for the previous month, and the additional tax herein levied shall be paid  
20 monthly at the time such reports are made. The annual license tax herein levied shall be  
21 treated as an advance payment of the tax upon gross receipts herein levied, and the  
22 annual license tax shall be applied as a credit upon or advance payment of the gross  
23 receipts tax.

1 Every person, firm, or corporation giving, offering, or managing any dance or  
2 athletic contest of any kind, except high school and elementary school athletic contests,  
3 for which an admission fee in excess of fifty cents (50¢) is charged, shall pay an annual  
4 license tax of fifty dollars (\$50.00) for each location where such charges are made, and,  
5 in addition, a tax upon the gross receipts derived from admission charges at the rate of  
6 ~~three percent (3%)~~ six percent (6%). The additional tax upon gross receipts shall be  
7 levied and collected in accordance with such regulations as may be made by the  
8 Secretary of Revenue. No tax shall be levied on admission fees for high school and  
9 elementary school contests.

10 Dances and other amusements actually promoted and managed by civic  
11 organizations and private and public secondary schools, shall not be subject to the  
12 license tax imposed by this section and the first one thousand dollars (\$1,000) of gross  
13 receipts derived from such events shall be exempt from the gross receipts tax herein  
14 levied when the entire proceeds of such dances or other amusements are used  
15 exclusively for the school or civic and charitable purposes of such organizations and not  
16 to defray the expenses of the organization conducting such dance or amusement. The  
17 mere sponsorship of dance or other amusement by such a school, civic, or fraternal  
18 organization shall not be deemed to exempt such dance or other amusement as provided  
19 in this paragraph, but the exemption shall apply only when the dance or amusement is  
20 actually managed and conducted by the school, civic, or fraternal organization and the  
21 proceeds are used as herein before required.

22 Dances and other amusements promoted and managed by a qualifying corporation  
23 that operates a center for the performing and visual arts are exempt from the license tax  
24 and the gross receipts tax imposed under this section if the dance or other amusement is  
25 held at the center. 'Qualifying corporation' means a corporation that is exempt from  
26 income tax under G.S. 105-130.11(a)(3). 'Center for the performing and visual arts'  
27 means a facility, having a fixed location, that provides space for dramatic performances,  
28 studios, classrooms and similar accommodations to organized arts groups and individual  
29 artists. This exemption shall not apply to athletic events.

30 The license and gross receipts taxes imposed by this section do not apply to a  
31 person, firm, or corporation that is exempt from income tax under Article 4 of this  
32 Chapter and is engaged in the business of operating a teen center. A 'teen center' is a  
33 fixed facility whose primary purpose is to provide recreational activities, dramatic  
34 performances, dances, and other amusements exclusively for teenagers."

35 Sec. 3. G.S. 105-38(f) reads as rewritten:

36 "(f) Upon all performances taxable under this section there is levied, in addition  
37 to the license tax levied in this section, a tax upon the gross receipts of such business at  
38 the rate of ~~three percent (3%)~~ six percent (6%). The license tax herein levied shall be  
39 treated as an advance payment of the tax upon gross receipts herein levied, and the  
40 license tax shall be applied as a credit upon or advance payment of the gross receipts  
41 tax. The Secretary of Revenue may adopt such regulations as may be necessary to  
42 effectuate the provisions of this section and shall prescribe the form and character of  
43 reports to be made, and shall have such authority of supervision as may be necessary to  
44 effectuate the purpose of this Subchapter."

1           Sec. 4. G.S. 105-102.5(d)(1) reads as rewritten:  
2           "(1) A person, firm, or corporation required to be licensed under G.S. ~~105-~~  
3           ~~36.1, 105-37, 105-37.1,~~ 105-62, 105-65.1, 105-74, 105-85, 105-89, or  
4           105-89.1 is not required to procure for the same location the general  
5           business license imposed by this section."  
6           Sec. 5. This act becomes effective July 1, 1991.