

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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HOUSE BILL 1320

Short Title: Tax on Movies.

(Public)

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Sponsors: Representatives Cansler, Brawley, Capps, Gray, Hill, Neely, Ramsey, C. Wilson; Esposito and Starnes.

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Referred to: Finance.

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May 19, 1998

A BILL TO BE ENTITLED

AN ACT TO REDUCE THE STATE PRIVILEGE TAX ON GROSS RECEIPTS FROM  
MOTION PICTURE SHOWS.

The General Assembly of North Carolina enacts:

Section 1. Article 2 of Chapter 105 of the General Statutes is amended by adding a new section to read:

**"§ 105-38.1. Amusements - Motion picture shows.**

(a) Tax. – A privilege tax at the rate of one percent (1%) is imposed on the gross receipts of a person who is engaged in the business of operating a motion picture show for which an admission is charged. The tax is due when a return is due. A return is due by the 10th day after the end of each month and covers the gross receipts received during the previous month. If a person offers an entertainment or amusement that includes both a motion picture taxable under this section and an entertainment or amusement taxable under G.S. 105-37.1 or G.S. 105-38, the tax in G.S. 105-37.1 or G.S. 105-38, as appropriate, applies to the entire gross receipts and the tax levied in this section does not apply.

(b) Exemption. – Gross receipts from a motion picture show promoted and managed by a qualifying corporation that operates a center for the performing and visual arts is exempt from the tax imposed under this section if the motion picture is shown at

1 the center and if the showing of motion pictures is not the primary purpose of the center.  
2 As used in this subsection, 'qualifying corporation' and 'center for the performing and  
3 visual arts' have the same meaning as in G.S. 105-37.1(a)."

4 Section 2. This act becomes effective October 1, 1998.