

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1997

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SENATE BILL 1001

Short Title: Expand Amusement Tax Exemption.

(Public)

Sponsors: Senators Kinnaird; Allran, Horton, and Weinstein.

Referred to: Finance.

April 21, 1997

A BILL TO BE ENTITLED

AN ACT TO EXPAND THE AMUSEMENTS TAX EXEMPTION FOR NONPROFIT
PERFORMING ARTS CORPORATIONS.

The General Assembly of North Carolina enacts:

Section 1. G.S. 105-37.1(a) reads as rewritten:

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

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

1 Every ~~person, firm, or corporation~~ person 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~~ the charges are made,
5 and, in addition, a tax upon the gross receipts derived from admission charges at the rate
6 of three percent (3%). The additional tax upon gross receipts shall be levied and collected
7 in accordance with ~~such regulations as may be made by the Secretary of Revenue.~~ rules
8 adopted by the Secretary. 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 organizations
11 and private and public secondary ~~schools,~~ schools shall not be subject to the license tax
12 imposed by this section and the first one thousand dollars (\$1,000) of gross receipts
13 derived from ~~such~~ these events shall be exempt from the gross receipts tax ~~herein levied~~
14 when the entire proceeds of ~~such~~ the dances or other amusements are used exclusively for
15 the school or civic and charitable purposes of ~~such~~ the organizations and not to defray the
16 expenses of the organization conducting ~~such~~ the dance or amusement. The mere
17 sponsorship of dance or other amusement by such a school, civic, or fraternal
18 organization ~~shall not be deemed to exempt such~~ does not exempt the dance or other
19 amusement as provided in this paragraph, but the exemption shall apply only when the
20 dance or amusement is actually managed and conducted by the school, civic, or fraternal
21 organization and the proceeds are used as ~~herein before required.~~ required by this
22 paragraph.

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

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

36 Section 2. This act becomes effective July 1, 1997.