

**NORTH CAROLINA GENERAL ASSEMBLY
LEGISLATIVE FISCAL NOTE**

BILL NUMBER: SB 123
SHORT TITLE: Exempt Audio Visual Masters
SPONSOR(S): Senator Patrick Ballantine

FISCAL IMPACT					
	Yes ()	No ()	No Estimate Available ()		
	<u>FY 1997-98</u>	<u>FY 1998-99</u>	<u>FY 1999-00</u>	<u>FY 2000-01</u>	<u>FY 2001-02</u>
REVENUES					
State (General Fund)	-\$1.40	-\$1.59	-\$1.68	-\$1.78	-\$1.88
Local	-.70	-.80	-.84	-.89	-.94
EXPENDITURES The enactment of the bill will have no impact on the budget requirements of the Department of Revenue.					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Revenue					
EFFECTIVE DATE: Sales occurring on or after July 1, 1997					

BILL SUMMARY: Exempts from state and local sales tax master tapes utilized by the motion picture, television, and audio production industries in making visual and aural first-generation images for reproduction.

ASSUMPTIONS AND METHODOLOGY: The estimate was developed through discussions with the Department of Revenue, the State Film Office, and a major company involved in post-production activities. The estimate is based on \$37.5 million of taxable post-production activity in the State and 6% annual growth (based on state economic forecast). The exemption would not apply to the production of duplicate tapes.

FISCAL RESEARCH DIVISION (733-4910)

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DATE: March 26, 1997



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