

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001

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HOUSE BILL 850*

Short Title: Charlotte Entertainment Tax.

(Local)

Sponsors: Representatives McMahan; Alexander, Earle, Easterling, and Saunders.

Referred to: Finance.

March 29, 2001

A BILL TO BE ENTITLED

1
2 AN ACT TO AUTHORIZE THE CITY OF CHARLOTTE TO LEVY A GROSS
3 RECEIPTS TAX ON CERTAIN ENTERTAINMENTS OFFERED IN
4 CITY-OWNED FACILITIES.

5 The General Assembly of North Carolina enacts:

6 **SECTION 1.** G.S. 105-37.1 reads as rewritten:

7 "**§ 105-37.1. Dances, athletic events, shows, exhibitions, and other entertainments.**

8 (a) Scope. – A privilege tax is imposed on the gross receipts of a person who is
9 engaged in any of the following:

- 10 (1) Giving, offering, or managing a dance or an athletic contest for which
11 an admission fee in excess of fifty cents (50¢) is charged.
12 (2) Giving, offering, or managing a form of amusement or entertainment
13 that is not taxed by another provision of this Article and for which an
14 admission fee is charged.
15 (3) Exhibiting a performance, show, or exhibition, such as a circus or dog
16 show, that is not taxed by another provision of this Article.

17 (b) Rate and Payment. – The rate of the privilege tax is three percent (3%) of the
18 gross receipts from the activities described in subsection (a) of this section. The tax is
19 due when a return is due. A return is due by the 10th day after the end of each month
20 and covers the gross receipts received during the previous month.

21 (c) Advance Report. – A person who owns or controls a performance, show, or
22 exhibition subject to the tax imposed by this section and who plans to bring the
23 performance to this State from outside the State must file a statement with the Secretary
24 that lists the dates, times, and places of the performance, show, or exhibition. The
25 statement must be filed no less than five days before the first performance, show, or
26 exhibition in this State.

27 (d) Local License Taxes. – Cities may levy a license tax on a person taxed under
28 subdivision (a)(1) or (a)(2) of this section; however, the tax may not exceed twenty-five

1 dollars (\$25.00). Cities may levy a license tax on a person taxed under subdivision
2 (a)(3) of this section; however, the tax may not exceed twenty-five dollars (\$25.00) for
3 each day or part of a day the performance, show, or exhibition is given at each location.

4 Counties may not levy a license tax on a person taxed under subdivision (a)(1) or
5 (a)(2) of this section. Counties may levy a license tax on a person taxed under
6 subdivision (a)(3) to the same extent as a city.

7 (e) City Gross Receipts Tax. – A city may by ordinance levy a privilege tax of
8 three percent (3%) on the gross receipts from entertainments that are taxable under
9 subsection (a) of this section and take place in a facility owned by the city. To the extent
10 the classifications are consistent with the requirements of the North Carolina
11 Constitution and the United States Constitution, the city may classify the scope of the
12 tax with respect to types of entertainments and the types of facilities in which they are
13 offered. The provisions of G.S. 160A-215(b), (e), and (f) apply to a tax levied under this
14 subsection as if it were a room occupancy tax.

15 The tax is due when a return is due. A return is due by the 10th day after the end of
16 each month and covers the gross receipts received during the previous month. A person
17 who owns or controls a performance, show, or exhibition subject to a tax levied under
18 this subsection and who plans to bring the performance to a taxing city from outside the
19 city must file a statement with the city finance director that lists the dates, times, and
20 places of the performance, show, or exhibition. The statement must be filed no less than
21 five days before the first performance, show, or exhibition in the taxing city.

22 A city may use the proceeds of a tax levied under this subsection only for the
23 following purposes:

- 24 (1) Acquiring, constructing, financing, maintaining, operating, marketing,
25 and promoting convention centers, civic centers, performing arts
26 centers, coliseums (including arenas and stadiums), auditoriums, and
27 museums.
28 (2) Off-street parking for use in conjunction with one or more facilities
29 described in subdivision (1) of this subsection.
30 (3) Tourism and tourism-related programs and activities, including art and
31 cultural programs, events, and festivals."

32 **SECTION 2.** This act applies to the City of Charlotte only.

33 **SECTION 3.** This act is effective when it becomes law.