

**GENERAL ASSEMBLY OF NORTH CAROLINA**  
**SESSION 2001**

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**SENATE BILL 693**

Short Title: Film Industry Incentives.

(Public)

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Sponsors: Senators Ballantine, Lee, Carter, Metcalf, Jordan; and Carpenter.

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Referred to: Finance.

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March 26, 2001

A BILL TO BE ENTITLED

AN ACT TO PROVIDE INCENTIVES FOR THE DEVELOPMENT OF THE FILM  
INDUSTRY IN NORTH CAROLINA.

The General Assembly of North Carolina enacts:

**SECTION 1.** G.S. 105-164.14 is amended by adding a new subsection to  
read:

"(j) Production Companies. -- A production company is allowed an annual refund  
of part of the State sales tax it pays under G.S. 105-164.4(a)(3) on the rental of transient  
accommodations for occupancy by its employees. If an employee of the production  
company occupies a transient accommodation for a continuous period of more than 30  
days but less than 90 days, the production company is allowed a refund of the State  
sales tax it paid on the rental for the entire rental period. Notwithstanding any other  
provision of law, the refund allowed in this subsection does not apply to general local  
sales and use taxes levied under Subchapter VIII of this Chapter, Chapter 1069 of the  
1967 Session Laws, or any other local act.

A request for a refund must be in writing and must include any information and  
documentation required by the Secretary. A request for a refund is due within six  
months after the end of the State's fiscal year. Refunds applied for after the due date are  
barred."

**SECTION 2.** G.S. 143B-434.3(a) reads as rewritten:

"(a) Creation and Purpose of Account. – There is created in the Department of  
Commerce, Division of Tourism, Film, and Sports Development, the Film Industry  
Development Account to provide annual grants as incentives to production companies  
that engage in production activities in this State. The Division of Tourism, Film, and  
Sports Development shall administer this program in accordance with the following  
provisions:

- 1           (1) To be eligible for a grant, a production company must engage in  
2           production activities in this State. A grant may not be used for political  
3           or issue advertising.
- 4           (2) ~~A~~For a production other than an episode of a television or radio series,  
5           a grant may not exceed fifteen percent (15%) of the amount the  
6           production company spends for goods and services in this State during  
7           the calendar year. For a production of an episode of a television or  
8           radio series, a grant may not exceed one percent (1%) of the amount  
9           the production company spends for goods and services in this State  
10           during the calendar year.
- 11           (3) A grant may not exceed two hundred thousand dollars (\$200,000) per  
12           production. In the case of television and radio series, each episode is a  
13           separate production."

14           **SECTION 3.** This act becomes effective July 1, 2001, and Section 1 of this  
15           act applies to taxes paid on or after that date.