

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 1001 (House Finance Committee Substitute)

**SHORT TITLE:** Expand Amusement Tax Exemption

**SPONSOR(S):** Senator Kinnaird, et al.

**FISCAL IMPACT**

**Yes (X)      No ( )      No Estimate Available ( )**

**FY 1998-99   FY 1999-00   FY 2000-01   FY 2001-02   FY 2002-03**

**REVENUES**

General Fund

**Revenue loss less than \$25,000 each fiscal year**

**PRINCIPAL DEPARTMENT(S) &**

**PROGRAM(S) AFFECTED:** Department of Revenue - Corporate, Excise and Insurance Tax Div.

**EFFECTIVE DATE:** The exemption is effective when the act becomes law.

**BILL SUMMARY:** This act repeals the \$50 license and 3% gross receipts tax on arts festivals and community festivals that meet certain criteria. To be exempt from tax, arts festivals must be held outdoors on public property, involve a variety of exhibitions, entertainments and activities, last no more than seven days, and be held no more than twice a year. Exempt community festivals must be held only once a year, last no more than seven days, and involve a variety of exhibitions, walking tours, entertainments, and activities that are held mostly outdoors and are open to the public.

**ASSUMPTIONS AND METHODOLOGY:** The Department of Revenue reviewed all arts and community festivals that paid gross receipts taxes in FY 1997-98. The Department collected \$21,225 in revenue from New Years' Eve festivals and product/crop festivals in FY 1997-98. The Department estimates the General Fund revenue loss to be less than \$25,000 each fiscal year.

**FISCAL RESEARCH DIVISION (733-4910)**

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**Official**



**Fiscal Research Division**

**Publication**

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