

**D. Amusements – Certain Exhibitions, Performances, and Entertainment Exempt (G.S. 105-40)**

The following forms of amusements are exempt from the taxes imposed under Article 2 of Chapter 105 of the General Statutes:

1. All exhibitions, performances, and entertainments, except those expressly mentioned in Article 2 as not exempt, produced by local talent exclusively, for the benefit of religious, charitable, benevolent or educational purposes, as long as no compensation is paid to the local talent.
2. The North Carolina Symphony Society, Incorporated, as specified in G.S. 140-10.1.
3. All exhibits, shows, attractions, and amusements operated by a society or association organized under the provisions of Chapter 106 of the General Statutes where the society or association has obtained a permit from the Secretary to operate without the payment of taxes under Article 2.
4. All outdoor historical dramas, as specified in Article 19C of Chapter 143 of the General Statutes.
5. All elementary and secondary school athletic contests, dances, and other amusements.
6. The first one thousand dollars (\$1,000) of gross receipts derived from dances and other amusements *actually promoted and managed* by civic organizations when the entire proceeds of the dances or other amusements are used exclusively for civic and charitable purposes of the organizations and not to defray the expenses of the organization conducting the dance or amusement. The exemption applies separately to each dance or other amusement (17 NCAC 04B.0306). The mere sponsorship of a dance or another amusement by a civic or fraternal organization does not exempt the dance or other amusement, because the exemption applies only when the dance or amusement is *actually managed and conducted* by the civic or fraternal organization.
7. All dances, motion picture shows, and other amusements promoted and managed by a qualifying corporation that operates a center for the performing and visual arts if the dance or other amusement is held at the center. “Qualifying corporation” means a corporation that is exempt from income tax under G.S. 105-130.11(a)(3). “Center for the performing and visual arts” means a facility, having a fixed location, that provides space for dramatic performances, studios, classrooms, and similar accommodations to organized arts groups and individual artists. This exemption does not apply to athletic events.
8. A person that is exempt from income tax under Article 4 of Chapter 105 and is engaged in the business of operating a teen center. A “teen center” is a fixed facility whose primary purpose is to provide recreational activities, dramatic performances, dances, and other amusements exclusively for teenagers.
9. All entertainment or amusements offered or given on the Cherokee Indian reservation when the person giving, offering, or managing the entertainment or amusement is authorized to do business on the reservation and pays the tribal gross receipts levy to the tribal council.

10. Arts festivals held by a person that is exempt from income tax under Article 4 of Chapter 105 and that meets the following conditions:
  - a. The person holds no more than two arts festivals during a calendar year.
  - b. Each of the person's arts festivals last no more than seven days.
  - c. The arts festivals are held outdoors on public property and involve a variety of exhibitions, entertainments, and activities.
11. Community festivals held by a person who is exempt from income tax under Article 4 of Chapter 105 and that meets all of the following conditions:
  - a. The person holds no more than one community festival during a calendar year.
  - b. The community festival lasts no more than seven days.
  - c. The community festival involves a variety of exhibitions, entertainments, and activities, the majority of which are held outdoors and are open to the public.
12. An admission charge to a fishing pier is not subject to the tax if the charge is for fishing on the pier. (17 NCAC 04B.0310)