

## **B. Dances, Athletic Events, Shows, Exhibitions, and Other Entertainment (G.S. 105-37.1)**

### **1. Scope**

A privilege tax is imposed on the gross receipts of a person who is engaged in any of the following:

- Giving, offering, or managing a dance or an athletic contest for which an admission fee in excess of fifty cents (50¢) is charged.
- Giving, offering, or managing a form of amusement or entertainment that is not taxed by another provision of Article 2 of Chapter 105 of the General Statutes and for which an admission is charged.
- Exhibiting a performance, show, or exhibition, such as a circus or dog show that is not taxed by another provision of Article 2 of Chapter 105 of the General Statutes.

### **2. Rate and Payment of Tax**

#### **a. Computation**

The privilege tax rate is three percent (3%) of the gross receipts from the activities described above and is computed on the admission price of the amusements, less any federal tax included in the admission price.

Gross receipts taxes are not deducted from the admission price to determine the tax base. (17 NCAC 04B.0302)

A fee charged by a person, firm or corporation engaged in a business taxed under G.S. 105-37.1 for a “membership card” entitling the holder to admission to an amusement is an admission charge subject to the three percent (3%) gross receipts tax. (17 NCAC 04B.0303)

A night club making a charge for both food and entertainment, with sales tax added covering only part of this charge for food, is subject to the three percent (3%) gross receipts tax on the remainder of the charge, and a separate gross receipts report must be filed. (17 NCAC 04B.0304)

The exemption in G. S. 105-40 for the first one thousand dollars (\$1,000) of receipts derived by a civic organization from a dance or another amusement promoted and managed by the organization applies separately to each dance or other amusement. (17 NCAC 04B.0306)

A drag strip operation or a go-cart race for which an admission is charged to the spectators is subject to the gross receipts tax imposed under G.S. 105-37.1. If a person operates a drag strip or a go-cart track where spectator fees are not charged, but a fee is charged to individuals for the use of the strip or track for their own entertainment, the fees are not subject to the gross receipts tax. (17 NCAC 04B.0308)

An admission charge to a fishing pier is subject to the gross receipts tax imposed under G.S. 105-37.1 if the charge is for being a spectator on a pier. (17 NCAC 04B.0310)

An admission charge to a horse or dog show is subject to the gross receipts tax imposed under G.S. 105-37.1. (17 NCAC 04B.0311)

A rattlesnake milking exhibition for which an admission fee is charged is subject to the gross receipts tax imposed under G.S. 105-37.1. (17 NCAC 04B.0312)

**b. Payment**

The gross receipts taxes imposed on amusements must be reported on Form B-205. The tax is due when a return is due. A return is due by the 10<sup>th</sup> day after the end of each month and covers the gross receipts received during the previous month.

**3. Advance Report**

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