

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: Senate Bill 152 (First Edition)

SHORT TITLE: Sales Tax Exemption-Agricultural Fairs.

SPONSOR(S): Senator Smith

FISCAL IMPACT					
(\$ in millions)					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
State Impact					
General Fund Revenues:	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)
General Fund Expenditures:					
Special Fund Revenues:					
Special Fund Expenditures:					
State Positions:					
NET STATE IMPACT	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)	(\$0.7)
Local Impact					
Revenues:	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)
Expenditures:					
NET LOCAL IMPACT	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)	(\$0.3)
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Department of Revenue					
EFFECTIVE DATE: May 1, 2015					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

The bill amends GS 105-164.4G(f) to exempt specified commercial agricultural fairs from the tax imposed on admission charges for entertainment activities. It is effective May 1, 2015, and applies to gross receipts derived on or after that date.

ASSUMPTIONS AND METHODOLOGY:

Before January 1, 2015, all live entertainment and admissions (a group that includes fairs) was subject to the State's 3% gross receipts tax, but the General Statutes contained an exemption for agricultural fairs. In [S.L. 2014-3](#), *Omnibus Tax Law Changes*, the General Assembly made live entertainment and admissions subject to the State's sales tax, and did not exempt agricultural fairs. The bill would exempt agricultural fairs from the State's sales tax.

Methodology

The Department of Agriculture provided 2014 ticket sales and ticket price data for North Carolina agricultural fairs that charge admissions. Applying the State and relevant local sales tax rate to each fairs' total admissions revenue yields an estimate of the total cost of the proposal in the form of lost state and local revenue. The following fairs are included in this analysis:

Alexander County Agricultural Fair	Lenoir County Agricultural Fair
Avery County A & H Fair	Moore County Agricultural Fair
Cabarrus County Fair	North Carolina Mountain State Fair
Caldwell County Agricultural Fair	North Carolina State Fair
Cape Fear Fair & Expo	Onslow County Agricultural Fair
Central Carolina Fair	Pitt County American Leg. Agri. Fair, Inc.
Chatham Co. Agri. & Industrial Fair	Richmond County Agricultural Fair
Chowan County Regional Fair	Robeson Regional Agricultural Fair
Cleveland County Fair Association	Rocky Mount Agricultural Fair
Coastal Carolina Ag Fair	Rowan County Agri. & Ind. Fair
Columbus Agriculture Fair, Inc.	Stanly Amer. Leg. Post #76 Ag. Fair
Cumberland County Fair	Stokes County Agricultural Fair
Davidson County Agriculture Fair	Surry County Agricultural Fair
Dixie Classic Fair	Vance County Regional Fair
Duplin County Agricultural Fair	Wayne Regional Agricultural Fair
Hickory American Legion Fair	Wilkes County Agricultural Fair
Iredell County Agricultural Fair	Wilson County Fair
Lee Regional Fair	

SOURCES OF DATA: North Carolina Department of Agriculture

TECHNICAL CONSIDERATIONS: None

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DATE: April 19, 2015

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