



**Sales and Use Tax Division
North Carolina Department of Revenue
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www.ncdor.gov**

**IMPORTANT NOTICE: SPECTATORS SUBJECT TO SALES AND USE TAX FOR
ADMISSION CHARGES TO ENTERTAINMENT ACTIVITIES**

Effective June 12, 2018, N.C. Gen. Stat. § 105-164.4G(e)(1) is amended to provide that sales and use tax imposed on an admission charge to an entertainment activity does not apply to “[a]n amount paid solely for the right to participate, other than to be a spectator, [emphasis added] in sporting activities. Examples of these types of charges include bowling fees, golf green fees, and gym memberships.”

Effective June 12, 2018, N.C. Gen. Stat. § 105-164.4G(e)(6) is added to the exceptions for admission charges to entertainment activities to include:

“An amount paid for the right to participate, other than to be a spectator [emphasis added], in the following activities:

- a. Rock climbing, skating, skiing, snowboarding, sledding, zip lining, or other similar activities.
- b. Instruction classes related to the [aforementioned items].
- c. Riding on a carriage, boat, train, plane, horse, chairlift, or other similar rides.
- d. Amusement rides, including a waterslide.”

The purpose of the amendments is to clarify that certain activities are not exempt from sales and use tax on admission charges to entertainment activities if a person is paying the admission charges in order to be a spectator. The gross receipts derived from an admission charge are subject to the 4.75% general State, applicable local, and applicable transit rates of sales and use tax when the person is a spectator and is not a participant in these sporting or other entertainment activities.

Assistance

General questions regarding this notice should be directed to the Department at telephone number 1-877-252-3052 (toll-free).

To the extent there is any change in the rate or amount of tax, change to a statute or regulation, or new case law subsequent to the date of this notice, the provisions in this important notice may be superseded or voided. To the extent that any provisions in any other notice, directive, technical bulletin, or published guidance issued prior to the date of this notice conflicts with this important notice, the provisions contained in this important notice supersede.