

**TABLE 5. PRIVILEGE TAX COLLECTIONS**  
[G.S. 105 ARTICLE 2.]

Fiscal year	Privilege tax gross collections [\$]	Refunds [\$]	Privilege Tax Net Collections Before & After Transfers				Year-over-year % change			
			Net collections before transfers [\$]	(-)	(-)	(=)	Privilege tax gross collections	Privilege tax refunds	Net collections before transfers	Amount to General Fund
				Solid Waste Management Trust Fund [\$]	Inter-governmental inter-fund transfers [\$]	Collections to General Fund [\$]				
1988-89.....	22,802,114	388,673	22,413,441	-----	-----	22,413,441	-19.98%	63.29%	-20.69%	-20.69%
1989-90.....	31,006,449	244,988	30,761,461	-----	-----	30,761,461	35.98%	-36.97%	37.25%	37.25%
1990-91.....	31,961,762	387,749	31,574,013	-----	-----	31,574,013	3.08%	58.27%	2.64%	2.64%
1991-92.....	29,866,730	285,294	29,581,436	3,778	-----	29,577,658	-6.55%	-26.42%	-6.31%	-6.32%
1992-93.....	27,150,481	348,885	26,801,596	2,519	-----	26,799,077	-9.09%	22.29%	-9.40%	-9.39%
1993-94.....	38,200,827	245,608	37,955,219	-----	-----	37,955,219	40.70%	-29.60%	41.62%	41.63%
1994-95.....	65,623,680	961,084	64,662,596	1,378	-----	64,661,218	71.79%	291.31%	70.37%	70.36%
1995-96.....	42,412,584	401,842	42,010,741	1,491	-----	42,009,251	-35.37%	-58.19%	-35.03%	-35.03%
1996-97.....	45,783,982	2,427,579	43,356,404	2,929	-----	43,353,475	7.95%	504.11%	3.20%	3.20%
1997-98.....	37,158,457	509,164	36,649,294	1,181	-----	36,648,113	-18.84%	-79.03%	-15.47%	-15.47%
1998-99.....	33,258,718	5,670,116	27,588,602	343	-----	27,588,260	-10.49%	1,013.61%	-24.72%	-24.72%
1999-00.....	44,518,241	689,068	43,829,173	350	-----	43,828,822	33.85%	-87.85%	58.87%	58.87%
2000-01.....	44,764,410	60,010,756	(15,246,346)	-----	(18,200,000)	2,953,654	0.55%	8,608.97%	-134.79%	-93.26%
2001-02.....	45,416,598	624,801	44,791,797	52	18,212,643	26,579,102	1.46%	-98.96%	393.79%	799.87%
2002-03.....	44,908,220	167,145	44,741,075	486	19,346	44,721,244	-1.12%	-73.25%	-0.11%	68.26%

Detail may not add to totals due to rounding.

**Privilege tax rates and bases:**

Rate	Base
3% of gross receipts	Gross receipts of a person engaged in managing a dance or an athletic contest for which an admission fee in excess of \$ .50 is charged.
"	Gross receipts of a person engaged in other forms of amusement or entertainment for which an admission fee is charged.
"	Gross receipts derived from performance, show, or exhibition, such as a circus or dog show.
1% of gross receipts	Gross receipts of a person engaged in the business of operating a motion picture show for which admission is charged.
\$50	Attorneys-at-law and other professionals. In addition to the \$50 tax, an individual engaged in the public practice of accounting (principal or manager) shall pay
\$12.50	a \$12.50 license tax for each employee who supervises or handles the work of auditing, devising or installing accounting systems.
.277% of face value	Total face value of obligations dealt in, bought, or discounted in the business of handling installment papers, notes, bonds, contracts, or evidences of debt.
\$250 annual tax	Loan agencies (\$250 per location)
\$30 per \$1 million in assets	Banks
\$15 per ton	The number of tons by which a newsprint publisher's recycled content tonnage falls short of the tonnage of recycled postconsumer recovered paper needed to achieve the applicable minimum recycled content percentage.

**1988-89**

The mercantile agency privilege license was repealed effective July 1, 1988. Effective September 1, 1988, the responsibility for issuing the exempt organization bingo license pursuant to G.S. 14-309.5 was transferred from the Department of Revenue (DOR) to the Department of Human Resources; however, DOR remained responsible for administering the beach bingo license subject to privilege license tax levied under G.S. 105-66.

**1990-91**

Effective July 1, 1990, the enactment of Chapter 584 (HB512) amended numerous provisions of the privilege license tax schedule for the purposes of tax simplification and increasing revenues: ten license tax sections were consolidated under G.S. 105-102.5 providing for an annual \$50 general business privilege license tax; fourteen tax sections were rewritten to provide for a flat rate license tax instead of being based on population; and ten license tax sections were rewritten to increase the tax rate to \$50.

**1997-98**

Effective July 1, 1997, the enactment of Chapter 14 (SB 6) repealed thirty-five privilege license sections, retaining the sections pertaining to amusements, attorneys-at-law and other professionals, installment paper dealers, loan agencies or brokers, banks, and publishers of newspaper publications. Licensing and regulatory provisions governing peddlers, itinerant merchants, and specialty market operators repealed under Chapter 105 were transferred to Article 32 of Chapter 66.

**1998-99**

Effective October 1, 1998, a new section, G.S. 105-38.1, imposed a 1% gross receipts tax on persons operating a motion picture show.

**1999-00**

Effective July 1, 1999, the \$100 license tax levied on loan agencies or brokers was repealed; concurrently, the quarterly tax rate was increased from .275% face value to .277%. The annual location license for banks was repealed and the taxation of a new bank in operation for less than a calendar year became based on a proration of average assets and number of days in operation rather on a \$100 flat fee. Pawn brokers and check cashers were made subject to a \$250 annual per location license, while the tax on loan agencies was reduced from a \$750 annual per location tax to a \$250 annual per location tax.

**Intergovernmental, inter-fund transfers:**

In fiscal year 2000-01, funds were transferred from the individual income tax account to the privilege tax account to make payment of a court-ordered refund; in fiscal year 2001-02 a subsequent transfer of \$18.2 million from the privilege tax account reimbursed the individual income tax account. *Privilege tax gross collections* and *Net collections before transfers* columns do not reflect the transfer of funds so as not to alter the reporting of taxpayer remittance levels. The *Collections to General Fund* column reflects the actual handling of the transfers, reporting the \$18.2 million as a transfer receivable from the individual income tax account in 2000-01 and as an account payable transfer to the individual income tax account in 2001-02.