

TABLE 6. 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	Solid Waste Management Trust Fund	Intergovernmental inter-fund transfers	N.C. Public Campaign Financing Fund	Collection fees on overdue tax debts	OSBM Civil Penalty & Forfeiture Fund	Collection cost of fines/forfeitures	Collections to General Fund	Privilege tax gross collections	Privilege tax refunds	Net collections before transfers	Amount to General Fund	
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	18,200,000	-	-	12,643	-	-	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%
2003-04.....	42,032,598	346,785	41,685,813	49	-	49,746	20,324	-	-	-	41,615,694	-6.40%	107.48%	-6.83%	-6.94%
2004-05.....	45,191,583	143,550	45,048,033	92	-	36,821	19,100	-	-	-	44,992,019	7.52%	-58.61%	8.07%	8.11%
2005-06.....	46,503,672	596,339	45,907,333	1,667	-	23,246	21,581	291,335	-	-	45,569,504	2.90%	315.42%	1.91%	1.28%
2006-07.....	50,670,355	4,059,726	46,610,628	1,802	-	-	16,809	313,128	1,305	46,277,585	8.96%	580.78%	1.53%	1.55%	
2007-08.....	57,268,276	615,518	56,652,758	7	-	-	17,138	325,277	1,329	56,309,007	13.02%	-84.84%	21.54%	21.68%	
2008-09.....	39,707,960	1,858,993	37,848,967	36	-	-	20,757	311,257	1,310	37,515,608	-30.66%	202.02%	-33.19%	-33.38%	

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 \$0.50 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. Effective for tax years beginning on/after <u>July 1, 2008</u> , home inspectors licensed by the NC Home Inspector Licensure Board. 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.

**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 newsprint 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% of 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 than on a \$100 flat fee. Pawnbrokers 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.

**2003-04 G.S. 105-41(a)(1) - N.C. Public Campaign Financing Fund voluntary contribution [Repealed for new license applications/renewals issued on/after January 1, 2006.]**

Attorneys are provided the opportunity to make a voluntary contribution of \$50 to the N.C. Public Campaign Financing Fund at the same time the annual \$50 privilege license tax is paid. The contribution is not considered part of the tax owed. [Effective on/after July 1, 2003 (applications for new licenses); effective on/after July 1, 2004 (issuance of license renewals)] (The N.C. Public Campaign Financing Fund was established to provide an alternative means of financing campaigns of candidates for the N.C. Supreme Court of Appeals who accept fundraising and spending limits.)

**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.