

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2023

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SENATE BILL 388

Short Title: Wager Excise Tax. (Public)

Sponsors: Senator Burgin (Primary Sponsor).

Referred to: Rules and Operations of the Senate

March 29, 2023

1 A BILL TO BE ENTITLED
2 AN ACT TO IMPOSE AN EXCISE TAX ON BETTING.

3 The General Assembly of North Carolina enacts:

4 **SECTION 1.** Chapter 105 of the General Statutes is amended by adding a new
5 Article to read:

6 "Article 2E.

7 "Gaming Taxes.

8 **"§ 105-113.125. Purpose.**

9 The purpose of this Article is to levy an excise tax to generate revenue for the General Fund.
10 Nothing in this Article may in any manner provide immunity from criminal prosecution for a
11 person engaged in placing or taking wagers not authorized under the laws of this State.

12 **"§ 105-113.126. Excise tax on gross gaming revenue.**

13 An excise tax of six and three-quarters percent (6.75%) is levied on (i) unauthorized wagers,
14 as defined in 26 U.S.C. § 4401, placed by persons located in this State and (ii) wagers placed by
15 someone physically located in this State. A person who accepts wagers subject to the tax imposed
16 by this Article is liable for the tax imposed by this section. For purposes of this Article, a wager
17 is a monetary amount or item of value bet or staked with respect to any of the following:

18 (1) A sports event, a game or gaming event, or a contest placed with a person
19 engaged in the business of accepting such wagers.

20 (2) A wagering pool with respect to a sports event, a game or gaming event, or a
21 contest, if such pool is conducted for profit.

22 (3) A lottery conducted for profit.

23 **"§ 105-113.127. Report; records.**

24 (a) Report. – Taxes levied by this Article are payable when a report is required to be filed.
25 A report is due on a monthly basis. A monthly report covers the total amount of wagers received
26 by a person during the previous calendar month and is due within 20 days after the end of the
27 month covered by the report. A report is filed on a form prescribed by the Secretary.

28 (b) Records. – A person who is required to file a report under this Article shall keep a
29 record of all documents used to determine information the person provides in a report. These
30 records shall be open at all times for inspection by the Secretary or an authorized representative
31 of the Secretary and shall be kept for the applicable period of statute of limitations as set forth
32 under Article 9 of this Chapter.

33 **"§ 105-113.128. Use of tax proceeds.**

34 The Secretary shall credit the net proceeds of the tax collected under this Article to the
35 General Fund.

36 **"§ 105-113.129. Confidentiality of information.**



1 (a) Information obtained by the Department in the course of administering the tax
2 imposed by this Article is confidential tax information and is subject to the provisions of
3 G.S. 105-259.

4 (b) Information obtained by the Department from the taxpayer in the course of
5 administering the tax imposed by this Article may not be used as evidence, as defined in
6 G.S. 15A-971, by a prosecutor in a criminal prosecution of the taxpayer for an offense related to
7 illegal gambling or betting activities. Under this prohibition, no officer, employee, or agent of
8 the Department may testify about this information in a criminal prosecution of the taxpayer for
9 an offense related to illegal gambling or betting. This subsection implements the protections
10 against double jeopardy and self-incrimination set out in Amendment V of the United States
11 Constitution and the restrictions in it apply regardless of whether information may be disclosed
12 under G.S. 105-259. An officer, employee, or agent of the Department who provides evidence or
13 testifies in violation of this subsection is guilty of a Class 1 misdemeanor."

14 **SECTION 2.** Except as otherwise provided, this act is effective when it becomes
15 law.