



# HOUSE BILL 945: Esports Incentive Program.

**This Bill Analysis  
reflects the contents  
of the bill as it was  
presented in  
committee.**

2021-2022 General Assembly

<b>Committee:</b>	House Appropriations. If favorable, re-refer to Finance. If favorable, re-refer to Rules, Calendar, and Operations of the House	<b>Date:</b>	June 8, 2021
<b>Introduced by:</b>	Rep. Saine	<b>Prepared by:</b>	Joyce Jones
<b>Analysis of:</b>	First Edition		Committee Co-Counsel

**OVERVIEW:** *House Bill 945 creates individual and corporate income tax credits for productions filmed in this State of video game (Esports) competitions for live or tape-delayed broadcast, and provides funding for the planning, development, and construction of an Esports Training and Education Center at NC State University and for the purchase of a mobile Esports Training and Education Center.*

### BILL ANALYSIS:

Sections 1 and 2 of House Bill 945 create, respectively, individual and corporate income tax credits for productions filmed in this State of video game (Esports) competitions for live or tape-delayed broadcast. The amount of the tax credit allowed is equal to 25% of the qualifying expenses of the production company for the Esports event. To qualify for the tax credit, the Esports production must have at least \$250,000 in qualifying expenses. (For a TV series Esports event, a season of episodes is considered a single production). Qualifying expenses are amounts spent in NC in connection with the Esports production and include items such as, but not limited to, compensation and wages paid if withholding payments are remitted to the Department of Revenue, goods and services leased or purchased, production insurance coverage costs, and living allowances for work in the State. The production credit is refundable in the event the amount of the credit exceeds the taxpayer's tax liability. Records substantiating the credit must be maintained and be made available, and the taxpayer must notify the NC Film Office of the intent to claim the credit, include certain production-related information, and acknowledge the NC Film Office and applicable regional film office in the production credits. The credits authorized in the bill sunset for qualifying expenses occurring on or after January 1, 2025.

Section 3 moves \$5 million in nonrecurring funds from the State Capital and Infrastructure Fund (SCIF) to the Board of Governors of The University of North Carolina (UNC) for the planning, development, and construction of an Esports Training and Education Center at NC State University.

Section 4 moves \$2.5 million in nonrecurring funds from the SCIF to UNC for the purchase of a mobile Esports Training and Education Center.

**EFFECTIVE DATE:** Sections 1 and 2 would be effective for taxable years beginning on or after January 1, 2021, and would apply to qualifying expenses occurring on or after that date. Sections 3 and 4 would become effective July 1, 2021.

*\*Staff Attorney Dan Ettefagh substantially contributed to this summary.*

Kory Goldsmith  
Director



Legislative Drafting  
919-733-6660