

**DEPARTMENT OF TAXATION
2001 Fiscal Impact Statement**

1. Patron: Callahan

3. Committee: Senate Finance

4. Title: Local Admissions Tax: Major League
Baseball Stadium

2. Bill Number: HB 1603

House of Origin:

 Introduced

 Substitute

 Engrossed

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would extend from January 1, 2002 to January 1, 2005, the sunset date for a county to impose local admissions taxes and surcharges on events held at a major league baseball stadium. The authority to levy these local taxes and surcharges would expire on January 1, 2005, unless, before that time, the Virginia Baseball Stadium Authority has executed a lease with a major league baseball team.

While counties currently have the authority to levy local admissions taxes and surcharges on events held at major league baseball stadiums, there are no major league baseball stadiums in Virginia.

The effective date of this bill is not specified.

6. Fiscal Impact Estimates are: Unknown. See Line 8.

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. This bill would have an unknown positive impact on local revenues if a county with the required major league baseball stadium enacts the admissions tax and surcharge this bill extends. The amount of the revenue gain would be dependent upon the number of events held at the stadium, the charge for admission and the rates at which the admissions tax and surcharge are imposed.

9. Specific agency or political subdivisions affected:

Any county with a major league baseball stadium with a seating capacity of 40,000 or more.

10. Technical amendment necessary: None.

11. Other comments:

Currently, under *Code of Virginia* § 58.1-3840, cities and towns that have general taxing powers in their charters may impose an excise tax on admissions. However, counties are limited in their taxing powers.

Code of Virginia § 58.1-3818 permits a county with a major league baseball stadium with a seating capacity of 40,000 or more to impose an admissions tax and a surcharge on the admissions charge for events held at the stadium. The admissions tax authorized by *Code of Virginia* § 58.1-3818 may not exceed ten percent of the admission charge for attendance to an event. The surcharge authorized by *Code of Virginia* § 58.1-3818 may not exceed two percent of the amount charged for admission.

Under *Code of Virginia* § 58.1-3818, the county imposing this tax would be able to prescribe by ordinance the terms, conditions and rates of tax and surcharge. Also, consistent with current law, the county may, at its discretion, allow differing rates of tax and surcharge based on whether an event is conducted for charitable or noncharitable purposes.

Under current law, a county's authority to levy an admissions tax and surcharge on events held at a major league baseball stadium will expire on January 1, 2002, if the Virginia Baseball Stadium Authority has not executed a lease with a major league baseball team. This bill would extend the expiration date to January 1, 2005.

This bill is identical to Senate Bill 794.

c: Secretary of Finance

Date: 2/6/01/JEM

Document: S:\2001leg\WorkInProgress\OTPwork\House Bills\HB1603FE161.doc