

DEPARTMENT OF TAXATION

2015 Fiscal Impact Statement

1. **Patron** Richard H. Stuart

3. **Committee** Senate Finance

4. **Title** Admissions Tax; Extends Sunset for Stafford County

2. **Bill Number** SB 1185

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would extend from July 1, 2015 to July 1, 2019 the time Stafford County has to secure a qualifying entertainment venue, so that it may exercise its authority to impose an admissions tax at a maximum rate of ten percent on admissions to that venue.

Under current law, Stafford County is authorized to impose a local admissions tax on admissions to an entertainment venue located in the county that: 1) is licensed to do business in the county for the first time on or after July 1, 2013; and 2) requires at least 75 acres of land, which land is purchased or leased by the entertainment venue owner on or after June 1, 2013. If no such entertainment venue exists in Stafford County by July 1, 2015, the authority to impose the admissions tax will expire.

The effective date of this bill is not specified.

6. Budget amendment necessary: No.

7. Fiscal Impact Estimates are: Not available. (See Line 8.)

8. Fiscal implications:

Extending the expiration date from July, 2015 to July, 2019 would allow Stafford County additional time to satisfy the requirements necessary to impose the admissions tax. As such, the bill would have no additional revenue impact for Stafford County.

This bill would have no impact on state revenues.

9. Specific agency or political subdivisions affected:

Stafford County

10. Technical amendment necessary: No.

11. Other comments:

Generally

Under current law, 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. Only those counties that are authorized by statute may impose the admissions tax, and must do so according to the limitations set forth by statute.

Currently, the counties of Arlington, Brunswick, Culpepper, Dinwiddie, Fairfax, New Kent, and Prince George are authorized to levy a tax on admissions at a maximum rate of ten percent. In addition, the counties of Charlotte, Clarke, Madison, Nelson, and Sussex may levy an admissions tax on admissions charged for attendance at spectator events, but are prohibited from levying the tax upon participants in order to participate in an event. Scott County may levy a \$0.25 tax on each patron admitted to an off-track horse race wagering facility.

Beginning July 1, 2014, Stafford County has limited authority to levy an admissions tax on admissions to an entertainment venue located in Stafford that: 1) first becomes licensed to do business in the county on or after July 1, 2013; and 2) requires at least 75 acres of land purchased or leased by the entertainment venue owner on or after June 1, 2013. This authority will expire on July 1, 2015 if no qualifying entertainment venue exists in Stafford County by that time.

Virginia law classifies events to which admissions are charged according to five groups, which include: 1) events from which gross receipts are dedicated entirely to charitable purposes; 2) admissions charged for events sponsored by public and private educational institutions; 3) admissions charged for entry into museums, botanical or similar gardens, and zoos; 4) admissions charged for sporting events; 5) admissions charged for entry into major league baseball games and events at any major league baseball stadium which has seating for at least 40,000 persons; and 6) all other admissions.

Each of the counties authorized to impose an admissions tax must do so by ordinance. Localities have the authority to tax each class of admissions with the same or with a different tax rate. Additionally, counties may elect not to levy the tax for events that are conducted solely to raise money for charitable purposes, provided the proceeds of the event are transferred to an entity that qualifies for exemption from the state Retail Sales and Use Tax.

Proposal

This bill would extend from July 1, 2015 to July 1, 2019 the sunset date for Stafford County's authority to impose the admissions tax if no qualifying entertainment venue exists in Stafford County by that time.

The effective date of this bill is not specified.

Similar Legislation

Senate Bill 774 would authorize all counties to levy an admissions tax at a maximum rate of ten percent upon admissions charges for all events, and would remove the limitations on the tax currently imposed upon the counties of Charlotte, Clark, Madison, Nelson, Sussex, and Stafford.

cc : Secretary of Finance

Date: 1/19/2015 KP
DLAS File Name: SB1185F161