

**DEPARTMENT OF TAXATION
2009 Fiscal Impact Statement**

1. Patron Ward L. Armstrong

2. Bill Number HB 1902

3. Committee House Finance

House of Origin:

 X **Introduced**

 Substitute

 Engrossed

4. Title Admissions Tax; Authorizes Carroll County to Impose an Admissions Tax

Second House:

 In Committee

 Substitute

 Enrolled

5. Summary/Purpose:

This bill would add Carroll County to the list of counties that may impose an admissions tax.

Under current law, certain counties are authorized to levy a tax on admissions charged for attendance at any event. The tax may be imposed at a maximum rate of ten percent of the amount of charge for admission to such event.

The effective date of this bill is not specified.

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

7. Budget amendment necessary: No.

8. Fiscal implications:

This bill would have no impact on state revenues. If Carroll County exercises the authority granted by this bill to impose an admissions tax on admissions charged for attendance at any event, it would provide an unknown revenue gain to the county. The amount of revenue gain would be dependent upon the number of events for which the tax is imposed, the charge for admission, and the rate at which the admissions tax is imposed.

9. Specific agency or political subdivisions affected:

Carroll County

10. Technical amendment necessary: No.

11. Other comments:

Generally

Va. Code § 58.1-3840 authorizes any city or town that has general taxing powers in its charters to impose an excise tax on admissions. However, counties are limited in their taxing powers.

The counties of Arlington, Brunswick, Culpeper, Dinwiddie, Fairfax, New Kent, and Prince George are currently authorized to impose an admissions tax charged for admission to any event pursuant to Va. Code § 58.1-3818. The admissions tax authorized under this section may not exceed ten percent of the admission charge for attendance to an event.

The counties of Charlotte, Clarke, Madison, Nelson and Sussex are currently authorized to impose an admissions tax charged for attendance at spectator events at a maximum rate of ten percent of the admission charge for attendance to such event.

Scott County is authorized to impose a tax on admissions to any off-track horse race wagering facility located in the county at the rate of \$0.25 for each patron admitted.

Localities are authorized to elect by ordinance not to levy an admissions tax on admission to an event offered solely to raise money for charitable purposes, where the net proceeds derived from the event will be transferred to a nonprofit entity exempt from sales tax under Va. Code § 58.1-609.11.

Proposal

This bill would add Carroll County to the list of counties that may impose admissions tax charged for admission to any event.

The effective date of this bill is not specified.

Other Legislation

House Bill 1751 and **Senate Bill 1715** is identical to this bill.

House Bill 1715 would add Greenville County to the list of counties currently authorized to impose an admissions tax on admission charges for any event.

cc : Secretary of Finance

Date: 1/16/2009 KP
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