

# DEPARTMENT OF TAXATION

## 2013 Fiscal Impact Statement

1. **Patron** Richard H. Stuart

3. **Committee** House Finance

4. **Title** Local Admissions Tax; Authorizes Stafford County to Levy

2. **Bill Number** SB 1262

**House of Origin:**

       **Introduced**

       **Substitute**

       **Engrossed**

**Second House:**

  X   **In Committee**

       **Substitute**

       **Enrolled**

**5. Summary/Purpose:**

This bill would authorize Stafford County to begin imposing a tax at a maximum rate of ten percent on admissions to any entertainment venue located in the county, beginning July 1, 2014. The provision of the bill would expire on July 1, 2015 if Stafford County does not have an entertainment venue by that time.

Under current law, Arlington, Brunswick, Culpepper, Dinwiddie, Fairfax, New Kent, and Prince George Counties are authorized to levy a tax on admissions to any event at a maximum rate of ten percent of the amount charged for admission.

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:**

This bill would have no impact on state revenues. To the extent that Stafford County elected to impose a tax on admissions, this bill would have a positive revenue impact in that county. The amount of the revenue gain would be dependent upon the number of events for which the tax was imposed, the charge for admission and the rate at which the admissions tax was imposed.

**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. Of these seven counties, only Dinwiddie and New Kent imposed an admissions tax as of 2011, each at the rate of four 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.

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 as a nonprofit entity.

### Proposal

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cc : Secretary of Finance

Date: 2/1/2013 KP  
DLAS File Name SB1262FE161