

Impose sales tax on all amusement and recreation services

Description This proposal would impose retailing B&O tax and sales tax on charges for all amusement and recreation services regardless of whether the buyer participates in the activity or not.

As a result, sales tax would apply to charges for admissions to movies, plays, concerts, operas, dance performances, art exhibits, fairs, sporting events, and similar activities. Retail sales tax would also apply to cover charges by restaurants, taverns, and bars, and charges for admission to any other similar event or activity.

Current Law Generally, sales tax applies to amusement and recreation services only when the customer participates in the activity. As a result, most spectator events and activities are subject to the service and other activities classification.

Revenue Impact

General Fund Impacts (\$ millions):

Option	Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
Impose sales tax on all amusement and recreation services	\$0	\$57.4	\$57.4

Notes:

- *Estimates assume a July 1, 2012, effective date, representing 11 months of collections for FY 2013.*
 - *Estimates reflect the September 2011 Economic & Revenue Forecast Council revenue forecast.*
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Expenditure Impact

Fiscal Year 2012	Fiscal Year 2013	2011-2013 Biennium
\$226,900	\$282,600	\$509,500
