

## Impose sales tax on all amusement and recreation services – exclude K-12 and youth non-profit activities

**Description** This proposal would impose retailing B&O tax and sales tax on charges for amusement and recreation services other than events and activities put on by elementary and secondary schools and nonprofit youth organizations.

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. Sales tax would also apply to cover charges by restaurants, taverns, and bars, and charges for admission to any other similar event or activity. Sales tax would apply regardless of whether the buyer participates in the activity or not.

**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 amusement and recreation services – exempt K-12 and youth non-profit	\$0	\$55.4	\$55.4

*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.*

**Expenditure Impact**

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