

5% state admissions tax – excludes K-12 and youth nonprofit activities

Description This proposal would impose a state admissions tax on charges for events and performances.

- The tax rate would be 5% of the admission charge.
- Admission charges subject to the tax would include movies, sporting events, plays, concerts, operas, dance performances, art exhibits, fairs, and any other event charging for admission *unless* the event was put on by an organization eligible for exemption.

This proposal includes three potential exemptions:

- a) Events put on by elementary and secondary schools and nonprofit youth organizations;
 - b) Events included in a), plus events put on by colleges; or
 - c) Events included in a) and b), plus events put on by any nonprofit organization.
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Current Law

- There is currently no state admissions tax.
- Cities, towns, counties, and public facilities districts are authorized to impose an admissions tax.
- Local admissions taxes are capped at 5%, except that King County may levy a 10% admissions tax for events at Safeco Field, Century Link Field, and the Century Link Field Events Center.

Continued on next page

5% state admissions tax – excludes K-12 and youth nonprofit activities, Continued

Revenue Impact

General Fund Impact (\$ in millions):

	# of Impacted Taxpayers	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
35a	64,000	\$ -	\$ 55.1	\$ 55.1	\$ 64.9	\$ 66.7	\$ 131.6
35b	64,000	\$ -	\$ 52.1	\$ 52.1	\$ 61.4	\$ 63.1	\$ 124.5
35c	61,000	\$ -	\$ 43.2	\$ 43.2	\$ 50.9	\$ 52.3	\$ 103.2

Notes:

- The ongoing non-compliance level for the state will be similar to the ongoing non-compliance level that local governments experience in their admissions taxes.
- Estimates assume a July 1, 2016 effective date, representing 11 months of collections for FY 2017.
- Estimates reflect the November 2015 Economic & Revenue Forecast Council revenue forecast.

Expenditure Impact

#	FY 2016	FY 2017	2015-17 Biennium	FY 2018	FY 2019	2017-19 Biennium
35a	\$ 86,000	\$ 527,400	\$ 613,400	\$ 455,900	\$ 444,700	\$ 900,600
35b	\$ 86,000	\$ 527,400	\$ 613,400	\$ 455,900	\$ 444,700	\$ 900,600
35c	\$ 84,000	\$ 506,100	\$ 590,100	\$ 450,200	\$ 439,000	\$ 889,200