

LOCAL ADMISSIONS TAXES
RCWs 35.21.280, 35.57.100, 36.38.010 & 36.100.210

Tax Base Price paid for admission to any place or event. The tax may apply to season tickets, cover charges, charges for the use of recreational facilities and equipment, and charges for parking of vehicles if the charge is related to the number of passengers. Also, charges for food and beverages may be included in the price subject to tax if entertainment is provided.

Tax Rate Maximum of one cent per 20 cents of price (i.e., 5 percent). However, in the case of Safeco Field in Seattle, King County may levy admissions taxes equaling two cents per 20 cents of ticket price (10 percent rate) on stadium events. Further, King County may levy an admissions tax of one cent per 10 cents of ticket price (10 percent rate) for events at Qwest Field and the adjacent exhibition center.

Levied by Cities, towns, counties, and public facility districts. When cities levy the tax, the county tax may not apply within the incorporated area of the levying city. However, the admissions taxes for the professional baseball and football stadiums are levied by King County even though the facilities are located in the city of Seattle. The admissions tax levied by public facilities districts is limited to regional centers which they operate.

Administration

Generally, the tax is administered by city clerks and county auditors. Persons who charge admissions for events include the tax in the purchase price of the tickets and report the tax to the appropriate local jurisdiction.

Recent Collections

According to data reported by local governments to the State Auditor via the Local Government Financial Reporting System, local admissions taxes collected during calendar year 2008 amounted to \$21.1 million. There were 47 cities that reported admissions tax collections, totaling \$16.7 million. Four counties reported collections amounting to \$4.4 million.

Distribution of Receipts

Used for general purposes of the levying local jurisdiction, except the King County admissions taxes on events at the baseball and football stadiums which are dedicated to principal and interest payments for bonds on the facilities. Also, the admissions tax may be extended to events at regional centers operated by public facility districts, if the receipts are dedicated to the same facility.

Exemptions

- activities of elementary or secondary schools.
- cities in King County may not apply their taxes to admissions to events in stadiums owned by a public facility district or public stadium authority.
- cities and counties are pre-empted from imposing an admissions tax on events at a regional center, if the public facilities district levies such a tax.

History

The original tax was included in the Revenue Act of 1935, at the present tax rate, as a state revenue source. In 1943, the state tax was repealed and authority to levy the tax was given to cities and counties. In 1995, the exemption from Seattle's admissions tax for the new professional baseball stadium and the 10 percent county tax for events at the baseball stadium were adopted. In 1997, similar provisions were extended to the professional football stadium and exhibition center. The admissions taxes for tickets to events at regional centers were authorized in 1999.

Discussion/Major Issues

Based on the definition of admission charges subject to tax, there could be some possible overlap with the retail sales tax. Although the sales tax does not apply to charges for spectator-type activities (movies, sporting events, concerts, etc.), it does apply to certain amusement and recreation activities. This has been interpreted as applying to charges for participatory activities such as golf and bowling. Such activities might also be subject to the local admissions tax, based on the statutory definition of admission charge. Also, the rental of equipment in conjunction with recreation or amusement activities and charges for food, refreshments, and vehicle parking are clearly subject to sales tax, and admissions tax might also apply. In the case that both taxes were to apply to a particular admission charge, the retail sales tax would apply to the total ticket price, including any local admissions tax.