



Senate

General Assembly

File No. 476

February Session, 2006

Substitute Senate Bill No. 436

Senate, April 11, 2006

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT PROVIDING AN EXEMPTION FROM THE ADMISSIONS TAX FOR DODD STADIUM AND THE ARENA AT HARBOR YARD.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-541 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective November 1, 2006*):

3 (a) There is hereby imposed a tax of ten per cent of the admission
4 charge to any place of amusement, entertainment or recreation, except
5 that no tax shall be imposed with respect to any admission charge (1)
6 when the admission charge is less than one dollar or, in the case of any
7 motion picture show, when the admission charge is not more than five
8 dollars, (2) when a daily admission charge is imposed which entitles
9 the patron to participate in an athletic or sporting activity, (3) to any
10 event, other than events held at the stadium facility, as defined in
11 section 32-651, all of the proceeds from which inure exclusively to an
12 entity which is exempt from federal income tax under the Internal
13 Revenue Code, provided such entity actively engages in and assumes

14 the financial risk associated with the presentation of such event, (4) to
15 any event, other than events held at the stadium facility, as defined in
16 section 32-651, which in the opinion of the commissioner, is conducted
17 primarily to raise funds for an entity which is exempt from federal
18 income tax under the Internal Revenue Code, provided the
19 commissioner is satisfied that the net profit which inures to such entity
20 from such event will exceed the amount of the admissions tax which,
21 but for this subdivision, would be imposed upon the person making
22 such charge to such event, (5) to (A) any event at the Hartford Civic
23 Center, the New Haven Coliseum, New Britain Beehive Stadium, New
24 Britain Stadium, effective for events occurring on or after the date such
25 stadium was placed in service, New Britain Veterans Memorial
26 Stadium, Bridgeport Harbor Yard Stadium, Stafford Motor Speedway,
27 Lime Rock Park, Thompson Speedway and Waterford Speedbowl,
28 facilities owned or managed by the Tennis Foundation of Connecticut
29 or any successor organization, the William A. O'Neill Convocation
30 Center, [or] the Connecticut Exposition Center, Dodd Stadium or the
31 Arena at Harbor Yard, and (B) games of the New Britain Rock Cats,
32 New Haven Ravens or the Waterbury Spirit, (6) other than for events
33 held at the stadium facility, as defined in section 32-651, paid by
34 centers of service for elderly persons, as described in subdivision (d) of
35 section 17b-425, (7) to any production featuring live performances by
36 actors or musicians presented at Gateway's Candlewood Playhouse,
37 Ocean Beach Park or any nonprofit theater or playhouse in the state,
38 provided such theater or playhouse possesses evidence confirming
39 exemption from federal tax under Section 501 of the Internal Revenue
40 Code, (8) to any carnival or amusement ride, or (9) if the admission
41 charge would have been subject to tax under the provisions of section
42 12-542 of the general statutes, revision of 1958, revised to January 1,
43 1999. On and after July 1, 2000, the tax imposed under this section on
44 any motion picture show shall be eight per cent of the admission
45 charge and, on and after July 1, 2001, the tax imposed on any such
46 motion picture show shall be six per cent of such charge.

47 (b) The tax shall be imposed upon the person making such charge
48 and reimbursement for the tax shall be collected by such person from

49 the purchase. Such reimbursement, termed "tax", shall be paid by the
50 purchaser to the person making the admission charge. Such tax, when
51 added to the admission charge, shall be a debt from the purchaser to
52 the person making the admission charge and shall be recoverable at
53 law. The amount of tax reimbursement, when so collected, shall be
54 deemed to be a special fund in trust for the state of Connecticut.

This act shall take effect as follows and shall amend the following sections:		
Section 1	November 1, 2006	12-541

FIN *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 07 \$	FY 08 \$
Department of Revenue Services	GF - Revenue Loss	525,000	790,000

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill will result in a General Fund revenue loss to the Admissions Tax of approximately \$525,000 in FY 07 and \$790,000 in FY 08 and subsequent years. To the extent that the elimination of the Admissions Tax draws in more events to the arenas that otherwise would not have been held in CT, then the State will see an increase in various taxes (Income Tax, Sales Tax, and the Hotel Tax).

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation.

OLR Bill Analysis**sSB 436*****AN ACT PROVIDING AN EXEMPTION FROM THE ADMISSIONS TAX FOR DODD STADIUM AND THE ARENA AT HARBOR YARD.*****SUMMARY:**

The bill exempts all events held at the Arena at Harbor Yard in Bridgeport and Dodd Stadium in Norwich from the admission tax.

The tax is 10% of most admission charges of \$1 or more, and 6% for movie tickets costing more than \$5. It applies to admission charges for movies, theaters, sporting events, amusement parks, and similar places and events. Many specific venues and types of events are exempt.

EFFECTIVE DATE: November 1, 2006

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 47 Nay 0 (03/28/2006)