



Senate

General Assembly

File No. 656

February Session, 2016

Substitute Senate Bill No. 149

Senate, April 18, 2016

The Committee on Finance, Revenue and Bonding reported through SEN. FONFARA of the 1st Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING AN EXEMPTION FROM THE ADMISSIONS TAX FOR EVENTS AT CONCERT AND ATHLETIC VENUES AND ESTABLISHING A LOCAL OPTION TAX ON SUCH EVENTS.

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

1 Section 1. Section 12-541 of the 2016 supplement to the general
2 statutes is repealed and the following is substituted in lieu thereof
3 (*Effective January 1, 2017*):

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

13 an entity which is exempt from federal income tax under the Internal
14 Revenue Code, provided such entity actively engages in and assumes
15 the financial risk associated with the presentation of such event, (4) to
16 any event, other than events held at the stadium facility, as defined in
17 section 32-651, which, in the opinion of the commissioner, is conducted
18 primarily to raise funds for an entity which is exempt from federal
19 income tax under the Internal Revenue Code, provided the
20 commissioner is satisfied that the net profit which inures to such entity
21 from such event will exceed the amount of the admissions tax which,
22 but for this subdivision, would be imposed upon the person making
23 such charge to such event, (5) other than for events held at the stadium
24 facility, as defined in section 32-651, paid by centers of service for
25 elderly persons, as described in subdivision (d) of section 17a-310, (6)
26 to any production featuring live performances by actors or musicians
27 presented at Gateway's Candlewood Playhouse, Ocean Beach Park or
28 any nonprofit theater or playhouse in the state, provided such theater
29 or playhouse possesses evidence confirming exemption from federal
30 tax under Section 501 of the Internal Revenue Code, (7) to any carnival
31 or amusement ride, (8) to any interscholastic athletic event held at the
32 stadium facility, as defined in section 32-651, (9) if the admission
33 charge would have been subject to tax under the provisions of section
34 12-542 of the general statutes, revision of 1958, revised to January 1,
35 1999, (10) to any event at (A) the XL Center in Hartford, or (B) the
36 Webster Bank Arena in Bridgeport, [or] (11) from July 1, 2015, to June
37 30, 2017, to any athletic event presented by a member team of the
38 Atlantic League of Professional Baseball at the Ballpark at Harbor Yard
39 in Bridgeport, or (12) to any event at a concert or athletic venue. On
40 and after July 1, 2000, the tax imposed under this section on any
41 motion picture show shall be eight per cent of the admission charge
42 and, on and after July 1, 2001, the tax imposed on any such motion
43 picture show shall be six per cent of such charge.

44 (b) The tax shall be imposed upon the person making such charge
45 and reimbursement for the tax shall be collected by such person from
46 the purchase. Such reimbursement, termed "tax", shall be paid by the
47 purchaser to the person making the admission charge. Such tax, when

48 added to the admission charge, shall be a debt from the purchaser to
 49 the person making the admission charge and shall be recoverable at
 50 law. The amount of tax reimbursement, when so collected, shall be
 51 deemed to be a special fund in trust for the state of Connecticut.

52 (c) Any municipality may, upon approval by its legislative body,
 53 establish by ordinance a tax of up to ten per cent of the admission
 54 charge to any event at a concert or athletic venue within such
 55 municipality.

This act shall take effect as follows and shall amend the following sections:		
Section 1	January 1, 2017	12-541

FIN *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 17 \$	FY 18 \$
Department of Revenue Services	GF - Revenue Loss	1.1 million	2.2 million

Note: GF=General Fund

Municipal Impact:

Municipalities	Effect	FY 17 \$	FY 18 \$
Various Municipalities	Potential Revenue Gain	Significant	Significant

Explanation

The bill exempts from the state admissions tax any event held at a venue for concerts or athletic events, and establishes a local option admissions tax for events held at such venues. This results in a revenue loss of \$1.1 million in FY 17 (partial year) and \$2.2 million annually thereafter. This also results in a potentially significant revenue gain to municipalities choosing to levy an admissions tax as a local option under the provisions of the bill.

The Out Years

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

OLR Bill Analysis**sSB 149*****AN ACT CONCERNING AN EXEMPTION FROM THE ADMISSIONS TAX FOR EVENTS AT CONCERT AND ATHLETIC VENUES AND ESTABLISHING A LOCAL OPTION TAX ON SUCH EVENTS.*****SUMMARY:**

This bill (1) exempts from the state's 10% admission tax any event held at a venue for concerts or athletic events and (2) allows municipalities to impose a local admission tax on any event held at such venues. A municipality may impose this tax if its legislative body approves and adopts an implementing ordinance. It can set the tax rate at up to 10% of the admission charge.

EFFECTIVE DATE: January 1, 2017

COMMITTEE ACTION

Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea 36 Nay 14 (03/31/2016)