

HCS HB 117 -- SALES TAX ON PLACES OF AMUSEMENT

SPONSOR: Burlison

COMMITTEE ACTION: Voted "Do Pass with Amendments" by the Standing Committee on Ways and Means by a vote of 11 to 0. Voted "Do Pass with HCS" by the Select Committee on Financial Institutions and Taxation by a vote of 10 to 0.

This bill authorizes a state and local sales and use tax exemption for the amount paid that results in the right of first opportunity to purchase or decline tickets for admission to events but does not itself result in admission. Currently, there is a state and local sales and use tax on the sales of admission tickets, cash admissions, charges, and fees to or in places of amusement, entertainment, recreation, games, and athletic events. The bill specifies the tax will only apply to sales of admission tickets and charges and fees for admission to view sporting events; dance performances; theater performances; orchestra, concerts, and other performing arts productions; and amounts paid for admission to racetracks, arcades, theme and amusement parks, water parks, circuses, carnivals, festivals, air shows, museums, marinas, motion picture theaters, go-karts, miniature golf, zip lines, individual stand-alone amusement rides, pool halls, and other tourist excursions.

PROPONENTS: Supporters say that the statutes were not intended to tax health clubs, gymnastics, dance instruction, etc. but court decisions in the 1990s expanded the definition of "recreation." When a business is currently audited by the Department of Revenue, the business is required to pay the back taxes. The bill will provide clarity by providing a clear definition of what is taxable entertainment and help Missouri have healthier citizens.

Testifying for the bill were Representative Burlison; Associated Industries of Missouri; Missouri Society of CPAs; Missouri Citizens for the Arts; National Federation of Independent Business; Carl Fudge, Flipz Gymnastics; Eric Burkett, Jefferson City Gymnastics; and T. J. Rehak, Xtreme Gymnastics.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that there is confusion in the sales tax law as it relates to places of amusement, entertainment, recreation, games, and athletic events. Businesses in this industry are held accountable for the tax if the department determines the tax should have been collected during an audit. In 2008, the Missouri Supreme Court said it would no longer differentiate between fitness and fitness with an instructor.

Testifying on the bill was Department of Revenue.