

# Admissions Tax

## GUIDELINES FOR COLLECTION OF ADMISSIONS TAX

The Admissions Tax is based on §§ 32-216 et. seq. of the City Code

### ADMISSIONS TAX RATE

Effective January 1, 2004, the Admissions Tax rate is 9% on admission to events at the Berglund Center 5.5% on admissions at other venues and events charging an admission.

### WHAT IS THE ADMISSIONS TAX?

This is tax on admission charges. An admission charge is the charge made for each admission to any amusement or entertainment, exclusive of any federal tax, but including a charge made for season tickets, whether obtained by contribution or subscription, and including a cover charge or a charge made for the use of seats or tables, whether reserved or otherwise, and for similar accommodations in the city.

This tax is levied on the following types of businesses and/or events:

- Civic Centers
- Theaters
- Zoos
- Museums
- Stadiums
- Night Clubs
- Sports Events
- Carnivals
- Circuses
- Dances
- Exhibitions
- Fairs
- Lectures or Talks
- Readings
- Musical performances
- Dramatic performances
- Racing - automobiles or other
- Swimming pools
- Antique Shows
- Movie Theaters
- Bars or Lounges
- Amusement Rides
- Ice Skating Rink
- Performances
- Use of Seats or Tables or Similar Accommodations
- Roller Skating Rinks

Note:

Non-profit organizations are not exempt from collecting the Admissions Tax. The Admissions Tax is paid by the person purchasing the ticket, not the organization.

This list is not meant to be an all-inclusive list and does not exclude any taxable activity not listed.

## **RATE OF TAX**

The rate of tax is 9% of the stated admission charge for each person admitted or for each ticket sold on admission to events at as the Berglund Center and the rate of tax is 5.5% on the stated admission charge for each person admitted or for each ticket sold for admission to other venues and events.

The admissions tax should be calculated on a "per-ticket" basis. For example, if the ticket charge is \$4.99 per ticket, then the tax charged should be calculated upon the \$4.99 amount resulting in a tax amount of \$0.27. ( $\$4.99 \times 5.5\% = \$0.27$  tax per ticket) If the ticket specifically states that the \$4.99 amount includes tax, then the admission charge would be \$4.73 and the tax would be \$0.26. The charge for the ticket would be recognized as \$4.73. ( $\$4.73 \times 5.5\% = \$0.26$ ).

## **COLLECTION**

Every person receiving any payment for admission to any place of amusement or entertainment shall collect the amount of the admission tax from the person making an admission payment at the time of the payment.

If tickets or cards of admission are issued, the tax shall be collected at the time of the issuance of the tickets or cards. The Admissions Tax shall be collected on all tickets or cards sold regardless of the time of purchase or whether the purchase is in advance or at the door.

Whenever admission is contingent upon payment of money, then that admission is subject to the Admissions Tax, regardless of what the patrons receive in exchange. For example, if a patron is charged \$2.00 for admission and receives the same dollar amount of food or drinks in exchange; the charge is subject to the Admissions Tax. If a patron is required to buy merchandise for admission; then the Admissions Tax is based upon the dollar amount of merchandise. Any situation in which a patron is not allowed entry onto the premises without having purchased merchandise constitutes an admission charge subject to taxation.

## **EXCEPTIONS FOR CERTAIN FREE ADMISSIONS**

The Admissions Tax shall not be payable by the following, if admitted to any place of amusement or entertainment free by:

- A bona fide officer or employee of the operator of such a place.
- Any federal, state, city, county or town official employee on official business.
- Any person whose admission to such place is required for the performance of some duty or work for the operator of such a place.
- Any newspaper reporter, photographer, telegrapher, radio announcer or person performing a similar vocation who is admitted for the performance of special duties in connection with any event and whose special duties are the sole reason for his presence.
- A child under twelve (12) years of age, who is admitted free.

## **EXCEPTION IF ADMISSION CHARGE IS LESS THAN TEN CENTS**

Where the admission charge is less than ten cents (\$0.10), no tax shall be payable. Amounts paid for admission by season tickets or subscription shall be exempt only if the amount to be charged the holder or subscriber for a single admission is less than ten cents (\$0.10).

## **MONTHLY REMITTANCE PROCEDURES**

Every person collecting any admission tax shall file a report and remittance on or before the twentieth (20th) day of each month covering the tax collected during the preceding month.

The monthly report along with the tax remittance must be received by the City Treasurer's Office by the 20th of the month for taxes collected in the preceding month. The seller may use the mail, but the responsibility for late delivery rests with the seller. If the payment due date falls on a weekend or a government holiday, the next business day shall become the due date.

Make all checks payable to:

City Treasurer

P. O. Box 1451

Roanoke, VA 24007-1451

## **TRUST TAX**

It is important to remember that this tax is a "trust" fund tax. That means that the tax is collected from your customers and temporarily held in trust before being remitted to the City of Roanoke. It should not be used for any other financial obligation or purpose.

## **REGISTRATION FOR TAX COLLECTION FORM**

The Registration for Tax Collection Form must be completed by each applicant or person responsible for collection of this tax prior to receiving payment for admission charges. A new form must also be completed each time there is any change to the information listed. See the instructions on the reverse of the form for additional information. The applicant should retain the bottom, pink copy.

## **RECORDS RETENTION**

The seller must maintain for three years complete records as may be necessary to determine the amount of the tax as reported on the remittance form as well as any of the exemptions. These records are subject to inspection and audit.

If any person shall fail or refuse to file any report or to remit to the City Treasurer the tax required to be collected and paid on or before the time specified, a penalty in the amount of ten percent shall be added to the tax if the failure is for not more than thirty (30) days. An additional ten percent of the tax owed for each thirty days during which the failure continues, not to exceed twenty-five percent, with a minimum penalty of \$2, shall be added to the tax due.

If any person shall fail or refuse to remit to the treasurer the tax required to be collected and paid within the time and in the amount specified, interest at the maximum yearly rates authorized by the general law of the commonwealth shall be added to the tax for each year or portion thereof from the first day following the day upon which the tax is due. Interest = (Days Past Due/365) x Interest Rate x Tax Due.

## **TEMPORARY OR TRANSIENT PLACES OF AMUSEMENT OR ENTERTAINMENT**

Whenever any place of amusement or entertainment makes an admission charge subject to this tax and the operation of such place is of a temporary or transitory nature, the report and remittance of the admission tax shall be made on the day following its collection, if the operation is for one day only. If the operation is for multiple days, the report and remittance of the admission tax shall be due upon the conclusion of the event.

Before any temporary or transient amusement or entertainment shall begin operation, and before any license shall be issued therefor, if a license is required, the person operating same shall deposit with the treasurer a sum of money, or in lieu thereof a bond with corporate surety conditioned upon the faithful compliance with the Admission Tax.

The amount of the deposit or bond shall be estimated by the Director of Finance or his designee as sufficient to cover the admission tax required to be collected and the money or bond shall be security for collection and payment of this tax. When the report has been filed and the payment made, the City Treasurer shall refund the deposit or surrender the bond, as the case may be.

Should any person fail to file such report or pay the tax collected within five (5) days from the termination of the operation of such amusement or entertainment, the Director of Finance may assess such person with the tax computed on the basis of the best information available and proceed to collect the tax out of the deposit, or by virtue of the bond, and by any other lawful means.

## **FAILURE TO PAY OR VIOLATIONS OF CODE**

Any person violating or failing to comply with any provision of the Code governing this tax, shall be guilty of a Class 1 misdemeanor. Conviction of such violation shall not relieve such person from the payment, collection or remittance of the Admissions Tax.

## **CLOSING OF BUSINESS**

Whenever any person required to collect and pay to the city the Admissions Tax shall cease to operate or otherwise dispose of his business, the reporting form and any tax and penalties due shall be immediately filed and paid. The word "person" as used herein also means any individual, corporation, company, association, firm, partnership or any group of individuals acting as a unit responsible for the collection and remittance of this tax.

## **FOR MORE INFORMATION CONTACT:**

The Commissioner of the Revenue  
215 Church Avenue, SW, Room 251  
Roanoke, VA 24011  
(540) 853-6828  
(540) 853-1115 FAX