

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

Date: April 27, 1998 Revised: 04/27/98 _____

Subject: Tax on Admissions to Sporting Events

	<u>Analyst</u>	<u>Staff Director</u>	<u>Reference</u>	<u>Action</u>
1.	_____	_____	WME	Withdrawn
2.	_____	_____	WM	Withdrawn
3.	_____	_____	CM	Withdrawn
4.	_____	_____	CA	Withdrawn
5.	<u>Keating</u>	<u>Smith</u>	WM	Fav/1 amendment

I. Summary:

This bill exempts admissions to semifinal and final national collegiate tournament games and to Major League Baseball all-star games from the state sales tax on admissions.

This bill substantially amends section 212.04 of the Florida Statutes.

II. Present Situation:

Section 212.04(1), F.S., provides for a tax levy of 6 percent on the sales price of admissions. Section 212.04(2)(a), F.S., provides exemptions to this tax levy for a variety of athletic events sponsored by certain schools, not-for-profit organizations, and state facilities. In addition, the statute grants a tax exemption for admissions to the National Football League championship game (Super Bowl). Admissions to athletic events sponsored by universities within the State University System are taxed, with the proceeds from the tax retained and used by each institution to support women’s athletics.

The ThunderDome in St. Petersburg has been selected as the site for the 1999 National Collegiate Athletic Association Men’s “Final Four” Basketball Tournament. The tournament will feature two national semifinal games on Saturday, March 27, 1999, and the national championship game on Monday, March 29, 1999. Orlando is bidding to become the site for the NCAA Women’s “Final Four” Basketball Tournament in the year 2000, which similarly would feature semifinal and championship games.

The Pro Player Stadium in South Florida (formerly Joe Robbie Stadium) has been selected as the site for the Major League Baseball all-star game in the year 2000.

III. Effect of Proposed Changes:

Section 212.04, F.S., is amended to create a sales tax exemption for admissions to any semifinal game or championship game of a national collegiate tournament. The section is further amended to provide that admissions to a Major League Baseball all-star game would be tax exempt.

The admissions tax exemption would apply to the NCAA Men's "Final Four" Basketball Tournament to be played in Florida in 1999, the NCAA Women's "Final Four" Basketball Tournament being pursued for the year 2000, and the baseball all-star game scheduled for 2000. The exemption would not apply to early-round NCAA basketball games, which Florida cities are scheduled to host in 1999.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

This bill initially falls under subsection (b) of s. 18, Art. VII, State Constitution. Subsection (b) requires a two-thirds vote of the membership of each house in order to enact a general law reducing the authority that municipalities and counties had on February 1, 1989, to raise revenues in the aggregate. By adding an exemption to the state sales tax, the bill has the effect of adding an exemption to the local option county sales surtax. However, the bill appears to be exempt from the requirements of s. 18(b), Art. VII, State Constitution, based on the insignificant fiscal impact totaling less than \$1.4 million.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

The Revenue Estimating Conference estimates that the bill would result in a total loss to the General Revenue Fund of approximately \$.5 million. The total estimated loss to local governments and to the Solid Waste Management Trust Fund is insignificant.

Issue/Fund	General Revenue		Trust		Local		Total	
	1st Year	Recurring	1st Year	Recurring	1st Year	Recurring	1st Year	Recurring
Admission Tax Exempt to Sporting Events	\$ (0.5)	\$ 0.0	\$ (*)	\$ (*)	\$ (*)	\$ (*)	\$ (0.5)	\$ 0.0

* Insignificant

B. Private Sector Impact:

Normally, tournament or similar game organizers set the price of admission. The price printed on the ticket represents the actual amount paid by the attendee. Any sales tax due on the sale of the ticket is borne by the tournament organizer or the host organization. Tournament and game organizers or hosts would benefit by the amount of sales tax saved on the tickets sold.

C. Government Sector Impact:

The Department of Revenue anticipates no need for additional resources to administer this bill.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

#1 by Ways and Means:

Provides an admission tax exemption to any post season collegiate football game sanctioned by the National Collegiate Athletic Association.

Fiscal impact: Recurring loss to the General Revenue Fund of an estimated \$.1 million.