

By the Committee on Fiscal Resource and Senator Myers

314-2151-99

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A bill to be entitled

An act relating to the tax on sales, use, and other transactions; amending s. 212.04, F.S.; providing an exemption for moneys paid for the privilege of joining certain private clubs; providing an exemption for contributions or assessments levied by private clubs for capital expenditures; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Paragraph (a) of subsection (2) of section 212.04, Florida Statutes, 1998 Supplement, is amended to read:

212.04 Admissions tax; rate, procedure, enforcement.--

(2)(a)1. No tax shall be levied on admissions to athletic or other events sponsored by elementary schools, junior high schools, middle schools, high schools, community colleges, public or private colleges and universities, deaf and blind schools, facilities of the youth services programs of the Department of Children and Family Services, and state correctional institutions when only student, faculty, or inmate talent is used. However, this exemption shall not apply to admission to athletic events sponsored by an institution within the State University System, and the proceeds of the tax collected on such admissions shall be retained and used by each institution to support women's athletics as provided in s. 240.533(3)(c).

2.a. No tax shall be levied on dues, membership fees, and admission charges imposed by not-for-profit sponsoring organizations. To receive this exemption, the sponsoring organization must qualify as a not-for-profit entity under the

1 provisions of s. 501(c)(3) of the Internal Revenue Code of  
2 1954, as amended.

3       b. No tax imposed by this section and not actually  
4 collected before August 1, 1992, shall be due from any museum  
5 or historic building owned by any political subdivision of the  
6 state.

7       3. No tax shall be levied on an admission paid by a  
8 student, or on the student's behalf, to any required place of  
9 sport or recreation if the student's participation in the  
10 sport or recreational activity is required as a part of a  
11 program or activity sponsored by, and under the jurisdiction  
12 of, the student's educational institution, provided his or her  
13 attendance is as a participant and not as a spectator.

14       4. No tax shall be levied on admissions to the  
15 National Football League championship game, on admissions to  
16 any semifinal game or championship game of a national  
17 collegiate tournament, or on admissions to a Major League  
18 Baseball all-star game.

19       5. A participation fee or sponsorship fee imposed by a  
20 governmental entity as described in s. 212.08(6) for an  
21 athletic or recreational program is exempt when the  
22 governmental entity by itself, or in conjunction with an  
23 organization exempt under s. 501(c)(3) of the Internal Revenue  
24 Code of 1954, as amended, sponsors, administers, plans,  
25 supervises, directs, and controls the athletic or recreational  
26 program.

27       6. Also exempt from the tax imposed by this section to  
28 the extent provided in this subparagraph are admissions to  
29 live theater, live opera, or live ballet productions in this  
30 state which are sponsored by an organization that has received  
31 a determination from the Internal Revenue Service that the

1 organization is exempt from federal income tax under s.  
2 501(c)(3) of the Internal Revenue Code of 1954, as amended, if  
3 the organization actively participates in planning and  
4 conducting the event, is responsible for the safety and  
5 success of the event, is organized for the purpose of  
6 sponsoring live theater, live opera, or live ballet  
7 productions in this state, has more than 10,000 subscribing  
8 members and has among the stated purposes in its charter the  
9 promotion of arts education in the communities which it  
10 serves, and will receive at least 20 percent of the net  
11 profits, if any, of the events which the organization sponsors  
12 and will bear the risk of at least 20 percent of the losses,  
13 if any, from the events which it sponsors if the organization  
14 employs other persons as agents to provide services in  
15 connection with a sponsored event. Prior to March 1 of each  
16 year, such organization may apply to the department for a  
17 certificate of exemption for admissions to such events  
18 sponsored in this state by the organization during the  
19 immediately following state fiscal year. The application shall  
20 state the total dollar amount of admissions receipts collected  
21 by the organization or its agents from such events in this  
22 state sponsored by the organization or its agents in the year  
23 immediately preceding the year in which the organization  
24 applies for the exemption. Such organization shall receive the  
25 exemption only to the extent of \$1.5 million multiplied by the  
26 ratio that such receipts bear to the total of such receipts of  
27 all organizations applying for the exemption in such year;  
28 however, in no event shall such exemption granted to any  
29 organization exceed 6 percent of such admissions receipts  
30 collected by the organization or its agents in the year  
31 immediately preceding the year in which the organization

1 applies for the exemption. Each organization receiving the  
2 exemption shall report each month to the department the total  
3 admissions receipts collected from such events sponsored by  
4 the organization during the preceding month and shall remit to  
5 the department an amount equal to 6 percent of such receipts  
6 reduced by any amount remaining under the exemption. Tickets  
7 for such events sold by such organizations shall not reflect  
8 the tax otherwise imposed under this section.

9 7. Also exempt from the tax imposed by this section  
10 are entry fees for participation in freshwater fishing  
11 tournaments.

12 8. Also exempt from the tax imposed by this section  
13 are participation or entry fees charged to participants in a  
14 game, race, or other sport or recreational event if spectators  
15 are charged a taxable admission to such event.

16 9. No tax shall be levied on admissions to any  
17 postseason collegiate football game sanctioned by the National  
18 Collegiate Athletic Association.

19 10. No tax shall be levied on moneys paid on a  
20 one-time-only basis for the privilege of joining and acquiring  
21 ownership interest in private clubs, regardless of whether  
22 such moneys are refundable and regardless of the purposes for  
23 which such moneys are used. As used in this subparagraph, the  
24 term "ownership interest" means the acquisition by a member of  
25 an equitable residual right to the net assets of the club upon  
26 its dissolution, regardless of whether the interest is  
27 refundable or whether the member acquires voting rights.

28 11. No tax shall be levied on capital contributions or  
29 assessments for capital expenditures levied by private clubs,  
30 regardless of whether such capital contributions or  
31 assessments are recurring or nonrecurring, however, such

1 assessments may not result in a reduction of dues or fees. As  
2 used in this subparagraph, the term "capital expenditures"  
3 means the acquisition of capital assets and payments for  
4 capital improvements, including repairs or maintenance to  
5 existing capital assets which add to the value of or prolong  
6 the useful life of the capital asset according to generally  
7 accepted accounting principles.

8 Section 2. This act shall take effect July 1, 1999.

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10 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN  
11 COMMITTEE SUBSTITUTE FOR  
12 SB 970

13 The committee substitute did not change the content of the  
14 bill. It did however, tighten up the exemption for joining  
15 fees and capital contribution assessments paid to certain  
16 private clubs. It also provided definitions for "ownership  
17 interest" and "capital expenditures".  
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