

By Senator Silver

38-1116-01

1 A bill to be entitled
2 An act relating to admissions taxes; amending
3 s. 212.04, F.S.; prohibiting taxes on
4 admissions to pari-mutuel events; amending s.
5 550.0951, F.S.; repealing the admission tax on
6 entrance to pari-mutuel facilities; amending
7 ss. 550.09511, 550.09514, 550.09515, 550.1625,
8 550.3551, 550.375, 550.6305, F.S., to conform
9 cross-references to the amendment made by this
10 act; providing an effective date.

11
12 Be It Enacted by the Legislature of the State of Florida:

13
14 Section 1. Subsection (2) of section 212.04, Florida
15 Statutes, is amended to read:

16 212.04 Admissions tax; rate, procedure, enforcement.--
17 (2)

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

31

1 2.a. No tax shall be levied on dues, membership fees,
2 and admission charges imposed by not-for-profit sponsoring
3 organizations. To receive this exemption, the sponsoring
4 organization must qualify as a not-for-profit entity under the
5 provisions of s. 501(c)(3) of the Internal Revenue Code of
6 1954, as amended.

7 b. No tax shall be levied on admission charges to an
8 event sponsored by a governmental entity, sports authority, or
9 sports commission when held in a convention hall, exhibition
10 hall, auditorium, stadium, theater, arena, civic center,
11 performing arts center, or publicly owned recreational
12 facility and when 100 percent of the risk of success or
13 failure lies with the sponsor of the event and 100 percent of
14 the funds at risk for the event belong to the sponsor, and
15 student or faculty talent is not exclusively used. As used in
16 this sub-subparagraph, the terms "sports authority" and
17 "sports commission" mean a nonprofit organization that is
18 exempt from federal income tax under s. 501(c)(3) of the
19 Internal Revenue Code and that contracts with a county or
20 municipal government for the purpose of promoting and
21 attracting sports-tourism events to the community with which
22 it contracts.

23 3. No tax shall be levied on an admission paid by a
24 student, or on the student's behalf, to any required place of
25 sport or recreation if the student's participation in the
26 sport or recreational activity is required as a part of a
27 program or activity sponsored by, and under the jurisdiction
28 of, the student's educational institution, provided his or her
29 attendance is as a participant and not as a spectator.

30 4. No tax shall be levied on admissions to the
31 National Football League championship game, on admissions to

1 any semifinal game or championship game of a national
2 collegiate tournament, or on admissions to a Major League
3 Baseball all-star game.

4 5. A participation fee or sponsorship fee imposed by a
5 governmental entity as described in s. 212.08(6) for an
6 athletic or recreational program is exempt when the
7 governmental entity by itself, or in conjunction with an
8 organization exempt under s. 501(c)(3) of the Internal Revenue
9 Code of 1954, as amended, sponsors, administers, plans,
10 supervises, directs, and controls the athletic or recreational
11 program.

12 6. Also exempt from the tax imposed by this section to
13 the extent provided in this subparagraph are admissions to
14 live theater, live opera, or live ballet productions in this
15 state which are sponsored by an organization that has received
16 a determination from the Internal Revenue Service that the
17 organization is exempt from federal income tax under s.
18 501(c)(3) of the Internal Revenue Code of 1954, as amended, if
19 the organization actively participates in planning and
20 conducting the event, is responsible for the safety and
21 success of the event, is organized for the purpose of
22 sponsoring live theater, live opera, or live ballet
23 productions in this state, has more than 10,000 subscribing
24 members and has among the stated purposes in its charter the
25 promotion of arts education in the communities which it
26 serves, and will receive at least 20 percent of the net
27 profits, if any, of the events which the organization sponsors
28 and will bear the risk of at least 20 percent of the losses,
29 if any, from the events which it sponsors if the organization
30 employs other persons as agents to provide services in
31 connection with a sponsored event. Prior to March 1 of each

1 year, such organization may apply to the department for a
2 certificate of exemption for admissions to such events
3 sponsored in this state by the organization during the
4 immediately following state fiscal year. The application shall
5 state the total dollar amount of admissions receipts collected
6 by the organization or its agents from such events in this
7 state sponsored by the organization or its agents in the year
8 immediately preceding the year in which the organization
9 applies for the exemption. Such organization shall receive the
10 exemption only to the extent of \$1.5 million multiplied by the
11 ratio that such receipts bear to the total of such receipts of
12 all organizations applying for the exemption in such year;
13 however, in no event shall such exemption granted to any
14 organization exceed 6 percent of such admissions receipts
15 collected by the organization or its agents in the year
16 immediately preceding the year in which the organization
17 applies for the exemption. Each organization receiving the
18 exemption shall report each month to the department the total
19 admissions receipts collected from such events sponsored by
20 the organization during the preceding month and shall remit to
21 the department an amount equal to 6 percent of such receipts
22 reduced by any amount remaining under the exemption. Tickets
23 for such events sold by such organizations shall not reflect
24 the tax otherwise imposed under this section.

25 7. Also exempt from the tax imposed by this section
26 are entry fees for participation in freshwater fishing
27 tournaments.

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

1 9. No tax shall be levied on admissions to any
2 postseason collegiate football game sanctioned by the National
3 Collegiate Athletic Association.

4 10. No tax shall be levied on admissions to
5 pari-mutuel events licensed and conducted under chapter 550.

6 (b) No municipality of the state shall levy an excise
7 tax on admissions.

8 ~~(c) The taxes imposed by this section shall be~~
9 ~~collected in addition to the admission tax collected pursuant~~
10 ~~to s. 550.0951, but the amount collected under s. 550.0951~~
11 ~~shall not be subject to taxation under this chapter.~~

12 Section 2. Effective July 1, 2003, paragraph (a) of
13 subsection (2) of section 212.04, Florida Statutes, is amended
14 to read:

15 212.04 Admissions tax; rate, procedure, enforcement.--

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

29 2. No tax shall be levied on dues, membership fees,
30 and admission charges imposed by not-for-profit sponsoring
31 organizations. To receive this exemption, the sponsoring

1 organization must qualify as a not-for-profit entity under the
2 provisions of s. 501(c)(3) of the Internal Revenue Code of
3 1954, as amended.

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

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

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

24 6. Also exempt from the tax imposed by this section to
25 the extent provided in this subparagraph are admissions to
26 live theater, live opera, or live ballet productions in this
27 state which are sponsored by an organization that has received
28 a determination from the Internal Revenue Service that the
29 organization is exempt from federal income tax under s.
30 501(c)(3) of the Internal Revenue Code of 1954, as amended, if
31 the organization actively participates in planning and

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

1 the organization during the preceding month and shall remit to
2 the department an amount equal to 6 percent of such receipts
3 reduced by any amount remaining under the exemption. Tickets
4 for such events sold by such organizations shall not reflect
5 the tax otherwise imposed under this section.

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

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

13 9. No tax shall be levied on admissions to any
14 postseason collegiate football game sanctioned by the National
15 Collegiate Athletic Association.

16 10. No tax shall be levied on admissions to
17 pari-mutuel events licensed and conducted under chapter 550.

18 Section 3. Subsection (2) of section 550.0951, Florida
19 Statutes, is repealed.

20 Section 4. Subsections (2) and (3) of section
21 550.09511, Florida Statutes, are amended to read:

22 550.09511 Jai alai taxes; abandoned interest in a
23 permit for nonpayment of taxes.--

24 (2) Notwithstanding the provisions of s.
25 550.0951(2)(b)~~s. 550.0951(3)(b)~~, wagering on live jai alai
26 performances shall be subject to the following taxes:

27 (a)1. The tax on handle per performance for live jai
28 alai performances is 4.25 percent of handle per performance.
29 However, when the live handle of a permitholder during the
30 preceding state fiscal year was less than \$15 million, the tax
31

1 shall be paid on the handle in excess of \$30,000 per
2 performance per day.

3 2. The tax rate shall be applicable only until the
4 requirements of paragraph (b) are met.

5 (b) At such time as the total of admissions tax, daily
6 license fee, and tax on handle for live jai alai performances
7 paid to the division by a permitholder during the current
8 state fiscal year exceeds the total state tax revenues from
9 wagering on live jai alai performances paid or due by the
10 permitholder in fiscal year 1991-1992, the permitholder shall
11 pay tax on handle for live jai alai performances at a rate of
12 2.55 percent of the handle per performance for the remainder
13 of the current state fiscal year. For purposes of this
14 section, total state tax revenues on live jai alai wagering in
15 fiscal year 1991-1992 shall include any admissions tax, tax on
16 handle, surtaxes on handle, and daily license fees.

17 (c) If no tax on handle for live jai alai performances
18 were paid to the division by a jai alai permitholder during
19 the 1991-1992 state fiscal year, then at such time as the
20 total of admissions tax, daily license fee, and tax on handle
21 for live jai alai performances paid to the division by a
22 permitholder during the current state fiscal year exceeds the
23 total state tax revenues from wagering on live jai alai
24 performances paid or due by the permitholder in the last state
25 fiscal year in which the permitholder conducted a full
26 schedule of live games, the permitholder shall pay tax on
27 handle for live jai alai performances at a rate of 3.3 percent
28 of the handle per performance for the remainder of the current
29 state fiscal year. For purposes of this section, total state
30 tax revenues on live jai alai wagering shall include any

31

1 admissions tax, tax on handle, surtaxes on handle, and daily
2 license fees. This paragraph shall take effect July 1, 1993.

3 (d) A permitholder who obtains a new permit issued by
4 the division subsequent to the 1991-1992 state fiscal year and
5 a permitholder whose permit has been converted to a jai alai
6 permit under the provisions of this chapter, shall, at such
7 time as the total of admissions tax, daily license fee, and
8 tax on handle for live jai alai performances paid to the
9 division by the permitholder during the current state fiscal
10 year exceeds the average total state tax revenues from
11 wagering on live jai alai performances for the first 3
12 consecutive jai alai seasons paid to or due the division by
13 the permitholder and during which the permitholder conducted a
14 full schedule of live games, pay tax on handle for live jai
15 alai performances at a rate of 3.3 percent of the handle per
16 performance for the remainder of the current state fiscal
17 year.

18 (e) The payment of taxes pursuant to paragraphs (b),
19 (c), and (d) shall be calculated and commence beginning the
20 day after the biweekly period in which the permitholder is
21 first entitled to the reduced rate specified in this section
22 and the report of taxes required by s. 550.0951(4)~~s.~~
23 ~~550.0951(5)~~ is submitted to the division.

24 (f) A jai alai permitholder paying taxes under this
25 section shall retain the breaks and pay an amount equal to the
26 breaks as special prize awards which shall be in addition to
27 the regular contracted prize money paid to jai alai players at
28 the permitholder's facility. Payment of the special prize
29 money shall be made during the permitholder's current meet.
30
31

1 (g) For purposes of this section, "handle" shall have
2 the same meaning as in s. 550.0951, and shall not include
3 handle from intertrack wagering.

4 (3)(a) Notwithstanding the provisions of subsection
5 (2) and s. 550.0951(2)(c)1.~~s. 550.0951(3)(c)1.~~, any jai alai
6 permitholder which is restricted under Florida law from
7 operating live performances on a year-round basis is entitled
8 to conduct wagering on live performances at a tax rate of 3.85
9 percent of live handle. Such permitholder is also entitled to
10 conduct intertrack wagering as a host permitholder on live jai
11 alai games at its fronton at a tax rate of 3.3 percent of
12 handle at such time as the total tax on intertrack handle paid
13 to the division by the permitholder during the current state
14 fiscal year exceeds the total tax on intertrack handle paid to
15 the division by the permitholder during the 1992-1993 state
16 fiscal year.

17 (b) The payment of taxes pursuant to paragraph (a)
18 shall be calculated and commence beginning the day after the
19 biweekly period in which the permitholder is first entitled to
20 the reduced rate specified in this subsection.

21 Section 5. Subsection (1) and paragraph (e) of
22 subsection (2) of section 550.09514, Florida Statutes, are
23 amended to read:

24 550.09514 Greyhound dogracing taxes; purse
25 requirements.--

26 (1) Wagering on greyhound racing is subject to a tax
27 on handle for live greyhound racing as specified in s.
28 550.0951(2)~~s. 550.0951(3)~~. However, each permitholder shall
29 pay no tax on handle until such time as this subsection has
30 resulted in a tax savings per state fiscal year of \$360,000.
31 Thereafter, each permitholder shall pay the tax as specified

1 in s. 550.0951(2)~~s. 550.0951(3)~~ on all handle for the
2 remainder of the permitholder's current race meet, and the tax
3 must be calculated and commence beginning the day after the
4 biweekly period in which the permitholder reaches the maximum
5 tax savings per state fiscal year provided in this section.
6 For the three permitholders that conducted a full schedule of
7 live racing in 1995, and are closest to another state that
8 authorizes greyhound pari-mutuel wagering, the maximum tax
9 savings per state fiscal year shall be \$500,000. The
10 provisions of this subsection relating to tax exemptions shall
11 not apply to any charity or scholarship performances conducted
12 pursuant to s. 550.0351.

13 (2)

14 (e) In addition to the purse requirements of
15 paragraphs (a)-(c), each greyhound permitholder shall pay as
16 purses an amount equal to one-third of the amount of the tax
17 reduction on live and simulcast handle applicable to such
18 permitholder as a result of the reductions in tax rates
19 provided by this act through the amendments to former s.
20 550.0951(3). With respect to intertrack wagering when the host
21 and guest tracks are greyhound permitholders not within the
22 same market area, an amount equal to the tax reduction
23 applicable to the guest track handle as a result of the
24 reduction in tax rate provided by this act through the
25 amendment to former s. 550.0951(3) shall be distributed to the
26 guest track, one-third of which amount shall be paid as purses
27 at the guest track. However, if the guest track is a greyhound
28 permitholder within the market area of the host or if the
29 guest track is not a greyhound permitholder, an amount equal
30 to such tax reduction applicable to the guest track handle
31 shall be retained by the host track, one-third of which amount

1 shall be paid as purses at the host track. These purse funds
2 shall be disbursed in the week received if the permitholder
3 conducts at least one live performance during that week. If
4 the permitholder does not conduct at least one live
5 performance during the week in which the purse funds are
6 received, the purse funds shall be disbursed weekly during the
7 permitholder's next race meet in an amount determined by
8 dividing the purse amount by the number of performances
9 approved for the permitholder pursuant to its annual license,
10 and multiplying that amount by the number of performances
11 conducted each week. The division shall conduct audits
12 necessary to ensure compliance with this paragraph.

13 Section 6. Subsections (5) and (6) of section
14 550.09515, Florida Statutes, are amended to read:

15 550.09515 Thoroughbred horse taxes; abandoned interest
16 in a permit for nonpayment of taxes.--

17 (5) Notwithstanding the provisions of s.
18 550.0951(2)(c)~~s. 550.0951(3)(c)~~, the tax on handle for
19 intertrack wagering on rebroadcasts of simulcast horseraces is
20 2.4 percent of the handle; provided however, that if the guest
21 track is a thoroughbred track located more than 35 miles from
22 the host track, the host track shall pay a tax of .5 percent
23 of the handle, and additionally the host track shall pay to
24 the guest track 1.9 percent of the handle to be used by the
25 guest track solely for purses. The tax shall be deposited
26 into the Pari-mutuel Wagering Trust Fund.

27 (6) Notwithstanding the provisions of s.
28 550.0951(2)(c)~~s. 550.0951(3)(c)~~, the tax on handle is 0.2
29 percent for intertrack wagering and for intertrack wagering on
30 rebroadcasts of simulcast horseraces for a thoroughbred
31 permitholder that conducts performances during the period

1 beginning March 17 and ending May 22. This subsection applies
2 only to thoroughbred permitholders located in any area of the
3 state where there are three or more thoroughbred permitholders
4 within 25 miles of each other. The tax shall be deposited
5 into the Pari-mutuel Wagering Trust Fund. Effective July 1,
6 2001, this subsection is repealed.

7 Section 7. Subsection (2) of section 550.1625, Florida
8 Statutes, is amended to read:

9 550.1625 Dogracing; taxes.--

10 (2) A permitholder that conducts a dograce meet under
11 this chapter must pay the daily license fee, the admission
12 tax, the breaks tax, and the tax on pari-mutuel handle as
13 provided in s. 550.0951 and is subject to all penalties and
14 sanctions provided in s. 550.0951(5)~~s. 550.0951(6)~~.

15 Section 8. Subsection (2) of section 550.3551, Florida
16 Statutes, is amended to read:

17 550.3551 Transmission of racing and jai alai
18 information; commingling of pari-mutuel pools.--

19 (2) Any horse track, dog track, or fronton licensed
20 under this chapter may transmit broadcasts of races or games
21 conducted at the enclosure of the licensee to locations
22 outside this state.

23 (a) All broadcasts of horseraces transmitted to
24 locations outside this state must comply with the provisions
25 of the Interstate Horseracing Act of 1978, 92 Stat. 1811, 15
26 U.S.C. ss. 3001 et seq.

27 (b) Wagers accepted by any out-of-state pari-mutuel
28 permitholder or licensed betting system on a race broadcasted
29 under this subsection may be, but are not required to be,
30 included in the pari-mutuel pools of the horse track in this
31 state that broadcasts the race upon which wagers are accepted.

1 The handle, as referred to in s. 550.0951(2)~~s. 550.0951(3)~~,
2 does not include any wagers accepted by an out-of-state
3 pari-mutuel permitholder or licensed betting system,
4 irrespective of whether such wagers are included in the
5 pari-mutuel pools of the Florida permitholder as authorized by
6 this subsection.

7 Section 9. Subsection (4) of section 550.375, Florida
8 Statutes, is amended to read:

9 550.375 Operation of certain harness tracks.--

10 (4) The permitholder conducting a harness horse race
11 meet must pay the daily license fee, the admission tax, the
12 tax on breaks, and the tax on pari-mutuel handle provided in
13 s. 550.0951 and is subject to all penalties and sanctions
14 provided in s. 550.0951(5)~~s. 550.0951(6)~~.

15 Section 10. Paragraph (a) of subsection (9) of section
16 550.6305, Florida Statutes, is amended to read:

17 550.6305 Intertrack wagering; guest track payments;
18 accounting rules.--

19 (9) A host track that has contracted with an
20 out-of-state horse track to broadcast live races conducted at
21 such out-of-state horse track pursuant to s. 550.3551(5) may
22 broadcast such out-of-state races to any guest track and
23 accept wagers thereon in the same manner as is provided in s.
24 550.3551.

25 (a) For purposes of this section, "net proceeds" means
26 the amount of takeout remaining after the payment of state
27 taxes, purses required pursuant to s. 550.0951(2)(c)1.~~s.~~
28 ~~550.0951(3)(c)1.~~, the cost to the permitholder required to be
29 paid to the out-of-state horse track, breeders' awards paid to
30 the Florida Thoroughbred Breeders' Association and the Florida
31 Standardbred Breeders and Owners Association, to be used as

1 set forth in s. 550.625(2)(a) and (b), and the deduction of
2 any amount retained pursuant to s. 550.615(12).

3 Section 11. This act shall take effect July 1, 2001.

4

5

6

SENATE SUMMARY

7

Abolishes taxes on admissions to pari-mutuel events.

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31