

**SALES AND USE TAX
Admissions to High School League
Events**

February 27, 2001

	Yes	No
Separate Official Fiscal Note Requested		X
Fiscal Impact		
DOR Administrative Costs/Savings		X

Department of Revenue
Analysis of H.F. 960 (Milbert) / S.F. 942 (Tomassoni)

	Revenue Gain or (Loss)			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>
	(000's)			
General Fund	(\$530)	(\$555)	(\$575)	(\$600)

Effective for admissions after June 30, 2001.

EXPLANATION OF THE BILL

Current Law: Ticket sales at state and regional high school tournaments are subject to sales tax, while tickets and admissions to regular season elementary and secondary school games and events are exempt.

Proposed Law: Sales of tickets and admissions would be exempt from the sales tax for events sponsored by the Minnesota State High School League.

REVENUE ANALYSIS DETAIL

- The Minnesota State High School League provided information for fiscal year 2000 including the average attendance for the most recent six years.
- It is assumed that the term “events” includes games, events and activities sponsored by the league.
- The estimates assume a combined annual growth rate of 4% for both price increases and attendance variations.

Number of People Attending Events: The Minnesota State High School League reports that there were 505,000 paid admissions for fiscal year 2000. The events included soccer, football, swimming, volleyball, gymnastics, hockey, baseball, basketball, wrestling, softball, track and field, adapted sports, and some non-sporting events.

ADMINISTRATIVE/OPERATIONAL IMPACT:

There will be no significant administrative or operational costs or savings to DOR in administration of this bill.

Source: Minnesota Department of Revenue
Tax Research Division
<http://www.taxes.state.mn.us/polic.html#analyses>