

**SALES AND USE TAX  
Admissions to MN Zoological Garden**

April 17, 2001

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

Department of Revenue  
Analysis of S.F. 2088 (Lessard)

	<u>Revenue Gain or (Loss)</u>			
	<u>F.Y. 2002</u>	<u>F.Y. 2003</u>	<u>F.Y. 2004</u>	<u>FY2005</u>
	(000's)			
General Fund	(\$210)	(\$213)	(\$217)	(\$220)

Effective for sales after June 30, 2001.

**EXPLANATION OF THE BILL**

**Current Law:** Tickets or admissions to the Minnesota Zoo are subject to sales tax. Memberships to the zoo are not currently taxed.

**Proposed Law:** Sales of tickets and admissions to the Minnesota zoological garden would be exempt, including any tickets or admissions to performances or events held on the premises of the zoo provided the performance or event is sponsored and conducted exclusively by the Minnesota zoological board or employees of the Minnesota zoological garden.

**REVENUE ANALYSIS DETAIL**

- The Minnesota zoological board advised that sales tax paid on qualifying tickets or admissions to the premises were approximately \$200,000 for fiscal year 2000.
- The Minnesota zoological board representative advised that, currently, there are no other tickets or admissions to performances or events that are sponsored and conducted exclusively by the board or by zoo employees. Attractions such as the IMAX theatre and concert venues are undertaken in conjunction with a vendor. It is assumed that there would be no fiscal impact from the performances and events for the forecast years.
- It is assumed that tickets to rides, including the monorail, would not qualify as: 1) tickets or admissions to the premises, or 2) tickets or admissions to performances or events.
- Discussions indicate that the annual combined growth rate is approximately 1.5% for both price increases and attendance variations.

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**Number of People Attending Events:** It is estimated that there will be approximately 765,000 paid admissions (including discounted admissions available to various groups) for fiscal year 2001.

**ADMINISTRATIVE/OPERATIONAL IMPACT:**

The costs to administer this bill will be minimal. All taxpayers will be notified of this law change, instructional materials and fact sheets will be updated as needed to reflect the law change, and any additional phone calls and correspondence will be handled by existing staff.

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

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