

Department of Revenue

Revenue Notice # 15-01: Sales and Use Tax – Admissions – Season or Installment Plan Tickets

Introduction

The sale of the “privilege of admission” to places of amusement, recreation areas and athletic events is taxable under *Minnesota Statutes*, section 297A.61, subdivision 3(g)(1). Under this statute, purchasers pay sales tax when the privilege of admission is sold, regardless of when the venue is accessed or event is held.

Often the privilege of admission is sold on a seasonal basis, entitling the purchaser the right to access a venue, place of amusement, athletic event or recreation area or attend a series of performances or events throughout the course of a season. Sales may also be made on an installment basis, entitling the purchaser to pay over a period of time.

Department Position

Whether the privilege of admission is sold individually or on a seasonal or installment basis, the taxable event is when the sale of the privilege is made, regardless of when the venue is accessed or event is held. The sales tax must be reported and remitted as required under *Minnesota Statutes*, sections 289A.18, subdivision 4, and 289A.20, subdivision 4(a).

For cash basis retailers the sales tax must be reported and remitted when payment is received.

For accrual basis retailers the total amount of sales tax must be reported and remitted when the sale is made regardless if the sale is paid for on the date of sale or on an installment basis. Thus, if a sale is made on an installment basis, all of the sales tax must be reported and remitted at the time of the first installment payment.

This Revenue Notice does not apply to admissions to which an exemption for governments or nonprofit organizations applies under *Minnesota Statutes*, section 297A.70 because they are exempt admissions.

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Ryan Church, Deputy Commissioner