

**This Notice was modified on December 17, 2018.**

## **Minnesota Department of Revenue**

### **Modification of Revenue Notice # 16-02: Sales and Use Tax — Admissions — Features of Admission\***

**\*With modifications shown (see “Key” below).**

#### **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). This includes the privilege of admission to places like theaters, performance halls, and stadiums. The amount subject to sales tax is measured by sales price. *Minnesota Statutes*, section 297A.61, subdivision 7. Sales price includes the total amount of consideration required by the seller to purchase the privilege of admission.

The sales price to purchase a privilege of admission may vary for the same amusement, recreation area, or athletic event depending on which features of admission the seller requires a customer to purchase. Features of admission required by the seller can be sold itemized separately or for a single non-itemized price. Features of admission may include but are not limited to:

- viewing locations, such as: guarantees, memberships, licenses, required gifts or donations
- exclusive entrances, restrooms, restaurants, lounges, clubs, or other areas
- interactive experiences with performers or players
- food or beverage
- parking services
- will call desk services
- concierge services
- other promotional offers
- other amenities

Features of admission are not required by the seller when the buyer (1) can purchase a privilege of admission for a particular seat or location and (2) add or decline any feature or features to that admission at the buyer's choice.

#### **Department Position**

Whether sold itemized separately or for a single non-itemized price, all charges required by the seller to purchase the privilege of admission are included in sales price and subject to sales tax, including all amounts paid to obtain any feature of that admission.

Features of admission sold itemized separately and not required by the seller to purchase the privilege of admission are not included in the sales price for that privilege of admission.

If a purchaser later resells the privilege of admission and that purchaser is not in the business of making retail sales of the privilege of admission, the resale is exempt from sales tax as an isolated and occasional sale under *Minnesota Statutes*, section 297A.67, subdivision 23. If the purchaser is in the business of making retail sales of the privilege of admission and later resells the privilege, the provisions of *Minnesota Statutes*, section 297A.68, subdivision 43 regarding ticket resellers apply.

This Revenue Notice does not apply to sales of the privilege of admission to which an exemption for nonprofit organizations applies under *Minnesota Statutes*, section 297A.70, stadium builder's licenses exempt under *Minnesota Statutes*, section 297A.67, subdivision 36, and does not address the sales tax treatment ~~purchasing a personal seat license, seat guarantee, or~~ of renting, or leasing a box seat, skybox, or suite.

~~Publication Date: February 29, 2016~~

~~Ryan Church, Deputy Commissioner~~

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Lee Ho, Deputy Commissioner

**\*Key: Underlining indicates additions to existing Revenue Notice language. Strikeouts indicate deletions from existing Revenue Notice Language.**