



M. J. "MIKE" FOSTER, JR.
Governor

STATE OF LOUISIANA
DEPARTMENT OF REVENUE

CYNTHIA BRIDGES
Secretary

Private Letter Ruling No. 01-003

Redacted Version

December 12, 2001

The Department of Revenue was asked to issue a private letter in answer to the following question:

When is a seller required to report state sales tax on sales of season tickets for the games of a professional athletic team in cases where the tickets are paid for in installments? Is the dealer required to report the sales tax when each installment payment is received, when the final payment is received, when the tickets for future games are sent to the purchasers, or when the games are played?

The Department answered as follows:

The Law

Louisiana Revised Statutes Title 47, Sections 302, 321, 331, and the sales and use tax ordinance of the Louisiana Tourism Promotion District levy tax upon all sales of those services that are defined in the sales tax law. Among the taxable services is the one defined by La. R.S. 47:301(14)(b), which provides in pertinent part as follows:

“(14) ‘Sales of services’ means and includes the following:

* * *

(b) (i) The sale of admissions to places of amusement, to athletic entertainment other than that of schools, colleges, and universities, and recreational events, . . .”

Ruling

The above statute levies the tax on the “sale of admissions”. For purposes of reporting sales taxable transactions, admissions are considered sold on the date that full payment for admissions is collected; the date the customer receives a ticket evidencing his/her right of admission; or the date that the customer is actually admitted to the amusement, athletic, or recreational event, whichever date is earliest. In the case where advance event tickets or other evidence of the right of admission are furnished to customers for events on specific future dates, the state sales tax will be reportable on sales tax returns for the month in which the tickets are fully paid for, or the month that the tickets are issued to customers, whichever dates are earlier, regardless of the date of the events. In cases where tickets are not issued, but payment is made at the door or gate to the taxable event, the sales tax will be reportable on the sales tax return for the month that the event is held.

Dealers who accept payments for tickets on an installment basis are required to report those ticket sales on their state sales tax returns for the months that final installment payments are made, provided that tickets are not issued to or admissions provided to customers before they make their final installment payments. If tickets are issued to or admissions are provided to customers before the final installment payments are made, ticket sales are reportable on dealers' sales tax returns for the month that tickets are issued or admissions provided, whichever month is earlier.

Sincerely,

Cynthia Bridges
Secretary

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