

Revenue Information Bulletin No. 16-027

April 15, 2016

Sales Tax

**School Board Compliance Regarding
Admissions to School Athletic/Entertainment Events
and the Sales of Food and Tangible Personal Property at Events**

Frequently Asked Questions

- 1. What is the change in the law regarding admissions to school athletic/entertainment events and the sales of food and tangible personal property at these events?**

Previously, there was a sales tax exclusion from state sales tax for admissions to amusement events, athletic entertainment events, and recreational events of schools, colleges, and universities. The new law imposes state sales tax on these events of schools, colleges, and universities at the following rates:

<u>Period</u>	<u>State Sales Tax Rates</u>
4/1/2016-6/30/2016	5%
7/1/2016-6/30/2018	3%
7/1/2018-3/31/2019	0%

State sales tax should be charged upon the sales of concessions and other items of tangible personal property as well.

- 2. What events qualify as amusement events, athletic entertainment events, and recreational events?**

Qualifying events include but are not limited to school plays, band performances, choir performances, dances, and sporting events.

- 3. Who is required to pay this tax?**

The individual who is paying for the admission to the athletic or entertainment event will pay the state sales tax due on the ticket/admission charge. The public school should collect the state sales tax along with the money paid for a ticket or admission.

Individuals attending a sporting or entertainment event are the "taxpayers", who are liable for paying the tax. The school board and its public school hosting the events are "dealers" within the meaning of La. R.S. 47:301(4) and are responsible

for collecting and remitting the state sales taxes to the Louisiana Department of Revenue (hereafter “LDR”).

If a public school or school board requires a student to attend a school play, band performance, choir performance, or sporting event, then there is no sales tax due on the price of admission, because the school and school board are exempt from state sales tax pursuant to La. R.S. 47:301(8)(c).

4. How does the tax increase impact the price of a ticket to a sporting event or admission to entertainment?

The price charged for a ticket or admission is at the public school’s discretion. A public school may continue to charge the same amount for admission to sporting or entertainment event but the state sales tax would be included in the price. For example, if the price for a ticket remains \$4.00, the school would remit \$0.20 in state sales tax (at 5%) and retain \$3.80 as the price of the ticket. However, a school may opt to charge full price and charge state sales tax upon that amount. If a ticket costs an individual \$4.00, then the school would need to collect \$0.20 in state sales tax for a total of \$4.20.

5. What happens if the school/school board does not collect and remit the sales tax to the Louisiana Department of Revenue?

Any school board that does not collect and remit the state sales tax will owe the sales tax itself.

6. Who is required to register with the Department of Revenue?

Every school board must register with the Department of Revenue for the purpose of remitting the sales tax collected by the schools within their district. Each school board is required to submit an excel file containing the board’s name and withholding account number to Centralreg@LA.GOV with the subject line RIB 16-027. The department will create the account for the remittance of the sales tax due and set the filing frequency.

Kimberly Lewis Robinson
Secretary

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