



Authorized Combative Sports Tax

This TSB-M provides guidance on the taxation of gross receipts from authorized combative sports events and information on the sales tax treatment of admission charges to these events.

Chapter 32 of the Laws of 2016 amended Tax Law Article 19 to rename the *Boxing and Wrestling Exhibitions Tax* the *Authorized Combative Sports Tax* and to apply the tax to the newly authorized sports of kick boxing, single discipline martial arts, and mixed martial arts (MMA).

Authorized combative sports include amateur and professional:

- boxing,
- wrestling,
- sparring,
- kick boxing,
- single discipline martial arts, and
- mixed martial arts (MMA).

Authorized combative sports are conducted:

- under the supervision of the New York State Athletic Commission,
- under the supervision of an authorized sanctioning entity, or
- as provided for by General Business Law, Article 41, section 1021.

Effective September 1, 2016, promoters of amateur or professional authorized combative sports events held in New York must report and pay the authorized combative sports tax.

Boxing, sparring, and wrestling events

The tax rates on boxing, sparring or wrestling matches or exhibitions have been in effect since October 1, 1999, and have not been changed by this legislation. The gross receipts from these events are taxed as follows:

- The gross receipts from ticket sales continue to be taxed at 3%, and the maximum amount of tax due per event may not exceed \$50,000.
- The gross receipts from the broadcasting rights continue to be taxed at 3%, and the maximum amount of tax due per event may not exceed \$50,000.

Other authorized combative sports events

On or after September 1, 2016, every promoter holding any kick boxing, single discipline martial arts, or MMA event in New York State must report and pay the authorized combative sports tax. The gross receipts from these events are taxed as follows:

- The gross receipts from ticket sales are taxed at 8.5% with no maximum amount of tax due per event.
- The sum of gross receipts from broadcasting rights and gross receipts from digital streaming over the internet are taxed at 3%, and the maximum amount of tax due per event may not exceed \$50,000.

Definitions

Gross receipts from ticket sales are the total gross receipts of every promoter from the sale of tickets to any authorized combative sport event held in New York State, without any deductions for commissions, brokerage, distribution fees, advertising, or any other expenses, charges and recoupments.

Gross receipts from broadcasting rights are the total gross receipts of every promoter from the sale, lease or other use of broadcasting, television and motion picture rights of an authorized combative sports match or exhibition held in this state, to the extent, however, that the receipts are attributable to transmissions and presentations received or exhibited in this state. Deductions are not allowed for commissions, brokerage fees, distribution fees, advertising or any other expenses, charges and recoupments.

Gross receipts from digital streaming over the internet include all amounts received by every promoter from digital streaming over the internet to the extent that those amounts are attributable to New York State. To the extent that the taxpayer can show that an amount is attributable to an out of state viewing of the internet stream, it may exclude the amount.

Due dates for the tax return and payment of tax

Return for gross receipts from ticket sales

You must file Form MT-160, *Authorized Combative Sports Tax Return*, and pay the tax due on your gross receipts from ticket sales **within 10 business days** from the date of the event.

Return for gross receipts from broadcasting rights or digital streaming over the internet

You must file Form MT-160 to pay the taxes due on your gross receipts from broadcasting rights or digital streaming on or before the **last day of the month** in which the gross receipts are received. If the receipts are received in the last five days of a month, however, the MT-160 and the tax are not due until the fifth day of the following month.

You may need to file more than one MT-160 to report and pay the taxes due on gross receipts from ticket sales and broadcasting rights/digital streaming.

Administration and procedure

The provisions of Tax Law Article 27 related to corporate tax procedure and administration apply to the authorized combative sports tax except to the extent that any such provision is inconsistent or irrelevant.

Since Article 19 provides separate due dates for the tax on gross receipts from ticket sales and the gross receipts for broadcasting rights/digital streaming:

- the computation of interest and late filing and late payment penalties attributable to each part of the tax should be computed separately based on the respective due dates; and
- the statute of limitations for assessment and refunds of the tax for gross receipts from ticket sales and gross receipts from broadcasting rights/digital streaming will also be determined separately based on the respective due dates.

Criminal penalty

Tax Law section 1820 provides that any willful act or omission that violates the provisions of the authorized combative sports tax is as a misdemeanor.

Admission charges are exempt from sales tax

Chapter 32 of the Laws of 2016 also amended Tax Law section 1105(f)(1) to clarify that the admission charge to any authorized combative sports event that is taxed by any other law of New York State is not subject to New York State and local sales and use taxes.

Note: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.