

Exemption from Sales Taxes on 75% of the Admission Charge to a Qualifying Place of Amusement Remains in Effect until October 1, 2006

Governor Pataki recently signed into law Chapter 14 of the Laws of 2005. Chapter 14 provides that the exemption from state and local sales taxes (sales tax) for 75% of the admission charge to a qualifying place of amusement will remain in effect until October 1, 2006. The exemption also applies to the sales tax (3/8% rate as of June 1, 2005) imposed by the state in the Metropolitan Commuter Transportation District (MCTD). The MCTD consists of the city of New York and the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

This exemption applies only to a charge that includes both admission to the qualifying place of amusement and the use of amusement rides at the qualifying place of amusement. Charges for admission to a qualifying place of amusement that do not also allow the customer use of the amusement rides continue to be fully subject to sales tax. For additional information, see TSB-M-04(7)S, *Exemption from Sales Taxes on 75% of the Admission Charge to a Qualifying Place of Amusement*.

If a place of amusement is not a qualifying place of amusement, it must collect sales tax on 100% of its admission charges unless it offers an admission-only ticket in the manner described in TSB-M-03(5)S, *Charges for Admission to a Place of Amusement and for the Use of Rides*. An admission charge to a patron for admission to, or use of, facilities for sporting activities in which the patron will be a participant, such as bowling alleys and swimming pools, continues to be exempt from sales tax.

The 75% exemption expires October 1, 2006, and, therefore, admissions occurring on or after October 1, 2006, will be fully subject to tax unless the admission ticket is actually sold and delivered to a patron (other than for resale) prior to October 1, 2006. The policies outlined in TSB-M-03(5)S will apply to charges for admissions to a qualifying place of amusement on or after October 1, 2006.