

1979 Legislation

Honorary And Life Memberships

Chapter 470 - Approved July 5, 1979 - Effective immediately

1. Honorary members are not subject to sales tax.
2. Life memberships are taxable on the total amount of the life membership dues.

Prior to the enactment of this legislation, life memberships were taxable on the amount of the annual payment of an active annual member. In the case of a life member who is presently paying tax on annual payments based on the dues of an active annual member, such payments shall continue until the total amount paid is equal to the amount which would have been due if the tax had initially been applied to the life membership dues and at the rate in effect at the time the membership was obtained.

The following sections of the law have been amended:

Section 1101(d)

- a) deletes the part of paragraph 6 which defines "dues pertaining to a life member."
- b) adds a new paragraph 14 which defines "honorary member" as "a membership granted in a social or athletic club without payment of dues which may provide full or partial club privileges."

Section 1105(f)(2)

- a) excludes honorary members from being subjected to tax.
- b) alters the conditions under which life memberships are subject to tax.

Any tax which was paid on life memberships, prior to this enactment, in excess of the tax due under the new legislation, would not be eligible for a refund, as taxes paid prior to July 5, 1979 were properly collected in accordance with the statute in existence at that time.