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## **Amusement Parks - Admission, Ride, and Other Charges**

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### **Introduction**

This bulletin explains how the sales tax is applied to various admission, ride, and other charges at amusement parks.

### **Amusement park admission charges**

In general, admission charges to *places of amusement* are subject to sales tax. For sales tax purposes, amusement parks are places of amusement. Amusement parks have a number of different ways of charging for admission to the park and for the use of the rides and other facilities at the park. Depending on how your amusement park operates and your method of charging for admission, special rules may apply.

A charge for admission to an amusement park that only allows customers to enter the park, and does not allow them on the rides, is a charge for admission to a place of amusement for sales tax purposes. The full amount of this kind of admission charge is subject to sales tax.

In some parks, admission is free and customers need to pay only to go on the rides. A separate charge solely to ride amusement rides is not a charge subject to sales tax. Therefore, if a customer purchases an individual ride ticket to go on a single ride, or a combination ticket or wristband that allows the customer to go on all or most of the rides, the charge is not subject to sales tax.

Except at a *qualifying place of amusement* as described below, a "pay-one-price" admission that allows customers to enter the park and to ride all or most of the rides is fully subject to sales tax unless all of the following conditions are met:

- at all times, the amusement park sells both a pay-one-price ticket and an admission-only ticket, each of which shows on its face the charge for the ticket;
- the pay-one-price ticket also separately states on its face the portion of the charge for the use of the rides and the portion of the charge for admission;
- the admission-only ticket does not allow a customer to use the rides;
- the admission charge to enter the park shown on the pay-one-price ticket is the same as the charge shown on the admission-only ticket; and
- the availability of both types of tickets, and the charges for each type, are conspicuously displayed at every entrance to the park, on the amusement park's Web sites, and in all advertisements, signs, and brochures that contain information about admission policies and charges; and a customer can readily purchase either an admission-only ticket or a pay-one-price ticket.

If all of the above conditions are met, then the portion of the pay-one-price ticket that separately states the charge for use of the rides is not subject to sales tax, while the remainder of the pay-one-price ticket is subject to sales tax.

*Example: An amusement park sells a \$10.00 admission-only (no rides) ticket that limits the customer to admission to the park. The park also sells a \$25.00 pay-one-price ticket, which separately shows a \$15.00 charge for the use of the rides and a \$10.00 charge for admission. The availability of both types of tickets is clearly communicated to all customers, and either ticket can readily be purchased. The \$15.00 charge on the pay-one-price ticket for use of the rides is exempt from sales tax.*

See [TSB-M-03\(5\)S](#), *Charges for Admission to a Place of Amusement and for the Use of Amusement Rides*, to learn more about the sales tax on this kind of admission.

### Qualifying place of amusement

Some amusement parks do not sell admission-only tickets and the charge for entering the amusement park and the charge for going on the rides are combined in the price that customers pay when entering the park. An admission charge to this type of amusement park is subject to sales tax on the entire amount unless the park is a *qualifying place of amusement*. If a park is a *qualifying place of amusement*, the sales tax is computed on 25% of the total admission charge.

An amusement park is a *qualifying place of amusement* if it meets **all four** of these conditions:

- The amusement park is at the same location year-round, even though it may not be open year-round.
- The combined admission charge allows customers to ride at least 75% of the rides, at no additional charge.
- The combined area of the amusement rides equals at least 50% of the entire area of the amusement park. When figuring the entire area of the amusement park, don't include parking lots, hotels, picnic areas, campgrounds, lakes, administrative areas, woodlands, and undeveloped areas in the park.
- Each person who buys an admission to the park also gets a paper ticket or receipt showing the amount of the admission charge the person paid and the amount of sales tax that is due.

*Example: A qualifying place of amusement sells a \$30 ticket entitling a customer to both admission to the amusement park and use of the rides within the park. The amusement park must collect sales tax on \$7.50 (25% of the \$30 charge for the ticket) and it must give the customers a ticket showing the admission charge and the tax due.*

An amusement park that doesn't meet the four conditions above doesn't qualify for this tax treatment. See [TSB-M-04\(7\)S](#), *Exemption from Sales Taxes on 75% of the Admission Charge to a Qualifying Place of Amusement*; [TSB-M-05\(5\)S](#), *Exemption from Sales Taxes on 75% of the Admission Charge to a Qualifying Place of Amusement Remains in Effect until October 1, 2006*; and [TSB-M-06\(12\)S](#), *Summary of the 2006 Budget Legislation Relating to Sales Taxes* (which explains that the 75% exemption was made permanent), for additional information.

### Games and parking

A separate charge to play a game at an amusement park is not subject to sales tax.

A separate charge for parking at an amusement park is subject to sales tax. See [TSB-M-91\(7\)S](#), *State and Local Sales Tax Imposed on Parking Fees June 1, 1990*, for more information.

Note: A Tax Bulletin is an informational document designed to provide general guidance in simplified language on a topic of interest to taxpayers. It is accurate as of the date issued. However, taxpayers should be aware that subsequent changes in the Tax Law or its interpretation may affect the accuracy of a Tax Bulletin. The information provided in this document does not cover every situation and is not intended to replace the law or change its meaning.

#### **References and other useful information**

**Tax Law:** Sections 1105(f)(1) and 1122

**Memoranda:**

[TSB-M-06\(12\)S](#), *Summary of the 2006 Budget Legislation Relating to Sales Taxes*

[TSB-M-05\(5\)S](#), *Exemption from Sales Taxes on 75% of the Admission Charge to a Qualifying Place of Amusement Remains in Effect until October 1, 2006*

[TSB-M-04\(7\)S](#), *Exemption from Sales Taxes on 75% of the Admission Charge to a Qualifying Place of Amusement*

[TSB-M-03\(5\)S](#), *Charges for Admission to a Place of Amusement and for the Use of Amusement Rides*

[TSB-M-91\(7\)S](#), *State and Local Sales Tax Imposed on Parking Fees June 1, 1990*