

# Admissions Tax FAQ

The Columbus Division of Income Tax administers the 5% tax collected on admission to any place located within the City of Columbus. All forms, rules and regulations, resources, and further information can be found on the Division's website at [www.columbus.gov/IncomeTaxDivision](http://www.columbus.gov/IncomeTaxDivision).

## General Questions

### *What is this tax?*

Effective July 1, 2019, the City of Columbus levies a 5% tax on amounts received as admission to any place located within the City of Columbus.

### *What is the legal authority for this tax?*

O.R.C. 715.03 and C.C.C. chapters 375 and 376 are the legal authority for the admissions tax.

### *When is the tax effective?*

The tax must be collected for admissions charged and paid on or after July 1, 2019. Both acts (the admission being charged and the admission being paid) must take place after July 1, 2019 for the tax to apply.

### *What does the tax pay for?*

Beginning January 1, 2020, 0.5% of revenues collected are retained by the City of Columbus in order to support the City's collection of the tax.

The 5% tax collected on events held at venues other than Nationwide Arena is allocated to the Greater Columbus Arts Council to support arts institutions, artists, education, inclusion, and innovation in programming.

80% of the 5% tax collected on events held at Nationwide Arena is allocated to Nationwide Arena for long-term capital improvements and building maintenance. 20% of the 5% tax collected on events held at Nationwide Arena is allocated to the Greater Columbus Arts Council for cultural arts facilities, public art, sports venues, and performance art spaces.

### *Who pays the tax?*

The person paying admission to gain entry is financially responsible for the full and exact amount of the tax on each admissions transaction. However, it is the responsibility of the person or organization charging admission (the vendor) to collect and remit the tax.

## Admissions

### *What admissions are taxable?*

Admissions are defined as a charge levied by a vendor and paid by a person to gain entrance into any performance, place, or event in the City. Admissions applies only to the cost of entry. This includes season tickets, packages, movie theater tickets, memberships, subscriptions, golf course greens fees, and cover charges.

Certain exemptions apply (see *Exemptions* on page 2).

*What is not included in admissions?*

Do not include service charges, handling fees, food and beverage costs, merchandise, or parking charges in admissions. Additional services once granted admission (e.g. workshops, camps, guided tours) are not considered taxable.

*Is the tax charged on resale admissions?*

The tax applies to both sale and resale. A vendor making or facilitating the resale of admissions must tax the resale value, which shall be calculated as the difference between the full resale price and the face value price (also known as the established price or base ticket price) of admissions.

## Memberships and Packages

*What memberships and subscriptions are taxable?*

Memberships that grant admissions (including but not limited to memberships to attractions, exhibits, country clubs, etc.) shall be taxable under Chapters 375 and 376. Memberships for non-entertainment services (e.g. wine clubs, gym memberships, tanning beds, massage clubs, newspaper subscriptions, etc.) are not taxable. Memberships for non-entertainment services that include entry or access to a facility are not taxable under Chapters 375 and 376 only if the entry or access to the facility is ancillary to the non-entertainment services provided (e.g., gym membership). The burden of proving that any transaction is not subject to the tax imposed by this chapter is upon the person upon whom the duty to collect the tax is imposed.

*How is the tax calculated for memberships?*

The taxable value of a membership is the daily non-member admission rate for one visit multiplied by the number of guests included in the membership.

For memberships that do not define number of guests that may be admitted, the taxable value of the membership is the lesser of:

- a. The daily non-member admission rate for one visit multiplied by two guests, or
- b. The total cost of the membership.

*How is the tax calculated for packages that include admission and other services (e.g. birthday party packages)?*

For packages that include admission and other services (e.g. birthday party packages) or goods (e.g. merchandise, food, beverage), the taxable value of the package is the lesser of:

- a. The value of admissions included in the package if sold separately from the package, or
- b. The total cost of the package.

## Exemptions

*Are any organizations exempt from collecting the tax?*

Organizations are not responsible for collecting the tax if admissions proceeds exclusively benefit:

1. Governmental entities acting in their government capacity and performing governmental functions and activities;
2. Any 501(c) organization except for
  - a. The NCAA
  - b. Organizations that receive operating support from the Greater Columbus Arts Council

3. Public and private primary educational institutions;
4. Entities exempted under the existing provisions of O.R.C.

*My admissions do not exclusively benefit an organization listed above. Are any admissions I charge exempt?*

The following transactions are exempt from the admissions tax:

1. Admissions paid to gain entry to an event sponsored or conducted by the City;
2. Admissions of \$10 or less;
3. Admissions to a sporting event or golf course where the proceeds wholly or partly benefit a college or university, except for NCAA tournament or playoff events;
4. Admissions to an event conducted in a place with capacity for 400 or fewer attendees;
5. Transactions exempted under the existing provisions of O.R.C.

*Do I have to meet both the ticket price and venue size exemption to not charge the tax?*

No. Admissions have to meet only one of the exemptions to be exempt from the tax.

*How is venue size determined?*

Venue size is determined by the total of all occupancy permits issued by the City of Columbus for a specific address.

*If my event is in a 500 seat venue, but only 350 people attend, do I have to collect the tax?*

Yes, if the event does not meet any other exemptions. The capacity exemption applies to a capacity of 400 or fewer people, not attendance of 400 or fewer people.

*My event charges a “pay what you can” price. Do I have to collect the tax?*

If the event does not meet any other exemptions, you must collect the tax on admissions that are over \$10.

*A portion of each ticket I am selling goes to a 501(c) organization. Do I only charge the tax based on the amount that is not going to the 501(c)?*

No. The tax is applied to the price to gain admission, except for admissions where the proceeds exclusively benefit an organization listed in C.C.C. 375.09(a) or 376.08(a).

## **Third Party Vendors**

*I am a non-exempt organization who rents my facility to and sells tickets on behalf of an exempt organization. Am I required to collect the admissions tax?*

Non-exempt organizations who are charging admissions to an event where the admissions proceeds exclusively benefit an organization exempt from taxation under C.C.C. 375.09(a) are not responsible for charging and collecting the admissions tax.

*I use a third-party platform to sell tickets. When is the tax charged?*

The tax is charged at each point of sale. If an organization sells admissions *through* a third party vendor, the organization must charge the tax through the platform or vendor selling on behalf of the organization.

If an organization sells tickets *to* a third party vendor for resale, the organization must charge the tax on the admissions sold to the third party.

## Account Setup

*How do I set up my account?*

Vendors must complete the following forms:

- Complete form H-2 (New Account Questionnaire), and
- Complete form IT-47 (New Account Setup)

*Do I need to submit an IT-47 if I already have a corporate income tax or withholding account with the City of Columbus?*

No.

*Why do I need to create an income tax account in addition to an excise tax account?*

Although vendors collect and remit the 5% admissions tax monthly, they are also subject to the 2.5% income Tax on income earned from business activities in Columbus.

## Filing

*When do I file?*

The tax is due on the 20<sup>th</sup> of each month for events held in the month preceding. For example, a vendor would file a return by August 20<sup>th</sup> for events held in the month of July.

*What are the penalties for filing late?*

Effective January 1, 2020, returns submitted after the due date are subject to a 10% penalty as well as 1% daily interest compounded on the penalty amount.

*What do I include in each line of the return?*

Please see the Instructions for Form A-1 available at [www.columbustax.net](http://www.columbustax.net).

*My event spans more than one month. When do I report the admissions on form A-1?*

Report admissions charged for multi-month events in the month that the event ended.

*Can I file and pay online?*

Online filing and payment of Admissions Tax is not available at this time.

*My organization had no events or admissions for a filing period. Do I need to file a return?*

No, there is no requirement to file if no events were held during the period of the return.

*Do I need to keep records?*

Yes. Each vendor must keep records of admissions charged and tax collected for a period of four years in accordance with C.C.C. 375.08 and 376.07.