

Approved by:

Date:

Tax Department Administrative Rule 2009-2

Date: December 16, 2009

TAX BASE FOR ADMISSIONS TAX

TDAR-09-1. This rule offers guidelines for sellers regarding the application of the Admissions Tax to credit card service fees and refunds charged by the outside ticketing agent.

BACKGROUND

The Tax and Revenue Administration Ordinance imposes a 6% admissions tax on the admission charge to any place of amusement, entertainment or recreation located within Tribal and trust lands. The tax is imposed upon the person receiving the right or privilege of admission and shall be collected by the person providing the place of amusement, entertainment or recreation at the time of purchase and the amount of tax may be included in the total charge assessed to the person receiving the right of admission.

DISCUSSION

The Tax and Revenue Administration Ordinance defines “admissions charge” in Article VII 7.01(a) as, “. . . *the amount assessed for the right or privilege to have access to a place or location where amusement, entertainment or recreation is provided.*”

IMPLICATION FOR TRIBAL TAX

The correct tax base for Admissions Tax is the amount charged for admission. That should be the ticket price stated on the face of the ticket. Credit cards fees and service charges collected by the third party ticket agent as transaction fees should not be included in the taxable balance for admissions tax.

FOR ADDITIONAL INFORMATION:

Questions can be addressed by calling (231) 398-6874, or writing:

Little River Band of Ottawa Indians

Tax Department

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All pertinent facts must accompany any request for a ruling.