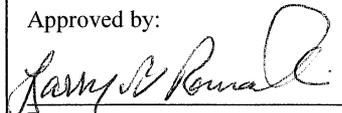


Approved by:

  
Date:

11-21-07

## Tax Department Administrative Rule 2007-2

**Date:** November 15, 2007

### RETAIL SALES TAX – PERFORMERS/ENTERTAINMENT EVENT CONTRACTORS.

**TDAR-07-2.** This rule explains the appropriate licensing and retail sales tax treatment of merchandise sales by performers or entertainment event contractors at the Little River Casino Resort.

### BACKGROUND

Performers and entertainment event contractors often choose to sell merchandise at the entertainment venue where they perform. These sales generally include shirts, cd's, posters and other promotional merchandise specific to the performer.

### DISCUSSION

A Tribal Tax License is required of any Tribal business, Tribal member, non-member or any combination thereof, making any sales at retail within Tribal or Trust Lands (Tax and Revenue Administration Ordinance #05-100-08).

Article VI of the Tax and Revenue Administration Ordinance imposes a retail sales tax, at the rate of 6% of gross receipts, for the privilege of engaging in the business of making sales at retail within Tribal and trust lands. Section 6.04(p) allows a deduction for sales at retail on which the taxpayer owes a tax under the Michigan general sales tax act under the terms of the Tax Agreement.

The Tax Agreement between the Little River Band of Ottawa Indians and the State of Michigan, at § III(C)(1) says, *“The State will impose a sales tax on all non-Tribal retailers, non-Tribal Member retailers, and non-Tribal Entity Retailers within the Agreement Area including Tribal and Trust Lands on all sales including those to the Tribe, Tribal Member or Tribal Entities unless a valid exemption certificate is presented at the time of sale.”*

The Tax Agreement, in § IV(E)(3) says, *“The Tribe’s casino operators and/or entertainment facility operators will report gross receipts and contact information regarding each professional performer in a manner consistent with reporting practices required by the State for non-Tribal casino operators and/or entertainment facilities.”*

## **Tax Department Administrative Rule 2007-2**

### **IMPLICATION FOR TRIBAL TAX**

Performers or event contractors choosing to sell merchandise on Tribal or Trust Land must obtain a Tribal Tax License. Non-tribal sellers must remit Michigan sales tax at the rate of 6% of gross receipts; therefore they will not have a Tribal retail sales tax liability. In addition, the Little River Casino Resort is required to report gross receipts and contact information regarding each professional performer two weeks prior to the scheduled event.

To simplify the licensing and sales tax reporting process, a Tribal Venue Event Report (Form TD570) has been created. This report combines the venue event reporting requirements with the Tribal tax registration and State sales tax reporting requirements.

To be in compliance with Tribal and State tax reporting requirements, the Tribe's casino operators shall prepare and submit the Tribal Venue Event Report to the Tribal Tax Office **two weeks prior** to the scheduled event.

If Section 5 indicates that merchandise will be sold at the venue, the Tax Officer will issue a Concessionaire's Tribal Tax License and send it directly to the performer/event contractor.

If the seller is not a LRBOI Tribal member or does not have a Michigan sales tax license, the Tax Officer will also send them a Michigan Concessionaire's Sales Tax Return and Payment (Form 2271) with instructions to remit their Michigan sales tax directly to the State of Michigan. The Tax Officer will check the "Yes" box in Section 13 of the Tribal Venue Event Report before submitting it to the Michigan Department of Treasury.

If Section 5 indicates that the seller is a LRBOI Tribal member or has a Michigan sales tax license, the Tax Officer will check the "No" box in Section 13 of the Tribal Venue Event Report before submitting it to the Michigan Department of Treasury.

If the completed Tribal Venue Event Report is not submitted to the Tribal Tax Office two weeks prior to the event, the Little River Casino Resort shall be responsible for payment of Michigan sales tax on performer's merchandise sales.

#### **FOR ADDITIONAL INFORMATION:**

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

Little River Band of Ottawa Indians

Tax Department

375 River Street

Manistee, MI 49660

Email: [bczarnecki@lrboi.com](mailto:bczarnecki@lrboi.com)

All pertinent facts must accompany any request for a ruling.

# Tribal Venue Event Report

**Instructions:** Tribal venues that either host entertainment events or contract with persons for the performance of concerts and other entertainment events must complete and submit one form for each event to the Tribal Tax Office at the bottom of this form. Forms must be submitted to the Tribal Tax Office two weeks prior to the scheduled event. For questions, call the Tax Officer at (231) 398-6874.

## Report Preparer Information

Name	Telephone Number
E-mail address	Fax Number

## Venue Information

Venue Name
Street Address
City, State, ZIP Code

## Event Information

Name of Event/Performer	Legal Name of Performer	Event Seating Capacity
Event Date(s)	Gross Sales Potential	Number of Performances

Are you the promoter/presenter of this event?

Yes, complete lines 1-18 below.

No, complete lines 11-18 below. This implies you are renting/leasing the facilities to a third-party for the event. Name the third party on line 11.

1. List all sources of ticket sales below (i.e. box office, subscription, group sales, ticket agents, etc.)

2. If a minimum guarantee payment has been or will be paid, enter amount and date paid.

3. Name of Payee and Relationship to Event/Performer	4. Telephone Number	5. Will Event/Performer sell merchandise at the venue? <input type="checkbox"/> Yes <input type="checkbox"/> No  Does seller have a Michigan Sales Tax License? <input type="checkbox"/> Yes <input type="checkbox"/> No <small>If Yes above:</small> _____ Michigan Sales Tax License Number Is seller a LRBOI Tribal member? <input type="checkbox"/> Yes <input type="checkbox"/> No
6. Street Address	7. Fax Number	
8. City, State, ZIP Code	9. Payee Federal Employer ID or SSN	
10. Name of the person at your organization the Tribe should notify if a levy must be served.		For Tax Office Use Only 13. Was a Michigan Concessionaire's Sales Tax Return and Payment (Form 2271) provided to the Event Contractor or Performer? <input type="checkbox"/> Yes <input type="checkbox"/> No
Identify Event Contractor(s) - Include all agents/agencies, artists, promoters, presenters and business or personnel managers that were contracted with for this event. If more than one, attach a separate sheet with the information requested below.		
11. Name of Business and Contact Person	12. Telephone Number	
14. Street Address	15. Fax Number	18. Relationship to Event/Performer
16. City, State, ZIP Code	17. Federal Employer Identification or SS No.	

### For U.S. Mail

Little River Band of Ottawa Indians  
 Tax Department  
 375 River Street  
 Manistee, MI 49660

### FAX Number

Attn: Tax Department  
 (231) 398-6863

### Email

[bczarnecki@lrboi.com](mailto:bczarnecki@lrboi.com)

TD570

Rev 11-07