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.”
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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
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

<table>
<thead>
<tr>
<th>Name</th>
<th>Telephone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-mail address</td>
<td>Fax Number</td>
</tr>
</tbody>
</table>

## Venue Information

<table>
<thead>
<tr>
<th>Venue Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Street Address</td>
</tr>
<tr>
<td>City, State, ZIP Code</td>
</tr>
</tbody>
</table>

## Event Information

<table>
<thead>
<tr>
<th>Name of Event/Performer</th>
<th>Legal Name of Performer</th>
<th>Event Seating Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Event Date(s)</td>
<td>Gross Sales Potential</td>
<td>Number of Performances</td>
</tr>
</tbody>
</table>

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

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.

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

16. City, State, ZIP Code
17. Federal Employer Identification or SS No.

5. Will Event/Performer sell merchandise at the venue?
   - [ ] Yes
   - [ ] No

Does seller have a Michigan Sales Tax License?
   - [ ] Yes
   - [ ] No

If Yes above:
Michigan Sales Tax License Number
Is seller a LRBOI Tribal member?
   - [ ] Yes
   - [ ] No

**For U.S. Mail**
Little River Band of Ottawa Indians  
Tax Department  
375 River Street  
Manistee, MI 49660  
TD570  
Rev 11-07

**FAX Number**  
Attn: Tax Department  
(231) 398-6863

**Email**  
bczarnecki@LRBOI.com