

HOUSE BILL No. 5604

November 18, 2009, Introduced by Rep. Cushingberry and referred to the Committee on Tax Policy.

A bill to provide for the levy, collection, and administration of an excise tax on the admission charge to an entertainment event in this state; to provide for the disposition of the proceeds of the tax; to prescribe the powers and duties of certain state departments; and to provide for certain exemptions.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "entertainment event excise tax act".

3 Sec. 2. As used in this act:

4 (a) "Admission charge" means the actual charge, excluding
5 memberships, paid to attend the entertainment event.

6 (b) "Department" means the department of treasury.

7 (c) "Entertainment event" or "event" means 1 or more of the

1 following that is not an exempt event:

2 (i) Zoo.

3 (ii) Live theater.

4 (iii) Museum.

5 (iv) Opera.

6 (v) Professional sporting event.

7 (vi) Collegiate athletic event.

8 (vii) Concert.

9 (viii) Temporary or transient entertainment production.

10 (ix) Botanical gardens.

11 (x) Amusement parks.

12 (xi) Temporary or transient art, music, theatrical, dance,
13 literary, or cultural festival.

14 (xii) Topless events allowed pursuant to a topless activity
15 permit issued under section 916 of the Michigan liquor control code
16 of 1998, 1998 PA 58, MCL 436.1916.

17 (xiii) Events allowed pursuant to a special license as defined
18 in section 111 of the Michigan liquor control code of 1998, 1998 PA
19 58, MCL 436.1111.

20 (d) "Exempt event" means an event that is 1 or more of the
21 following:

22 (i) All high school, middle school, and elementary or grade
23 school events.

24 (ii) Events sponsored by a nonprofit or charitable
25 organization, unless that organization received funds under this
26 act in the immediately preceding 12-month period.

27 (iii) Events sponsored by a nonprofit arts or cultural

1 organization that has an annual operating budget of less than
2 \$200,000.00.

3 (iv) Individual fund-raising events sponsored or conducted by
4 and the proceeds of which benefit a nonprofit or charitable
5 organization.

6 (v) Paid-admission events presented within or as a
7 programmatic part of an art, culture, or entertainment facility or
8 festival for which a previously paid entry or gate admission has
9 been collected to that facility or festival which has a higher
10 ticket price.

11 (vi) State, county, local, or agricultural fairs.

12 (e) "History, arts, and library fund" means the history, arts,
13 and library fund created in section 6.

14 Sec. 3. (1) An excise tax is levied on the admission charge of
15 each entertainment event in this state.

16 (2) The rate of the excise tax is 2% of the admission charge
17 of the entertainment event.

18 Sec. 4. (1) The excise tax shall be collected at the same time
19 and in the same manner as the tax imposed under the use tax act,
20 1937 PA 94, MCL 205.91 to 205.111.

21 (2) The excise tax imposed by this act shall be administered
22 by the state treasurer under 1941 PA 122, MCL 205.1 to 205.31.

23 (3) The state treasurer shall prescribe the forms necessary
24 for the administration of this act and may promulgate necessary
25 rules under the administrative procedures act of 1969, 1969 PA 306,
26 MCL 24.201 to 24.328.

27 Sec. 5. A taxpayer may reimburse himself or herself by adding

1 the amount of the tax to the admission charge.

2 Sec. 6. (1) The history, arts, and library fund is created
3 within the state treasury.

4 (2) The proceeds from the collection of the excise tax imposed
5 under this act shall be deposited with the state treasurer and
6 credited to the fund.

7 (3) The state treasurer may receive money or other assets from
8 any source for deposit into the fund. The state treasurer shall
9 direct the investment of the fund. The state treasurer shall credit
10 to the fund interest and earnings from fund investments.

11 (4) Money in the fund at the close of the fiscal year shall
12 remain in the fund and shall not lapse to the general fund.

13 (5) The department shall expend money from the fund, upon
14 annual appropriation, for arts, culture, and history.