

SENATE BILL NO. 235

March 20, 2019, Introduced by Senator SANTANA and referred to the Committee on Finance.

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 tax act".

3 Sec. 2. As used in this act:

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

3 (b) "Entertainment event" or "event" means 1 or more of the
4 following that is not an exempt event that has a seating capacity
5 of 500 or more:

6 (i) Zoo.

7 (ii) Live theater.

8 (iii) Museum.

9 (iv) Opera.

10 (v) Professional sporting event.

11 (vi) Concert.

12 (vii) Temporary or transient entertainment production.

13 (viii) Botanical gardens.

14 (ix) Amusement parks.

15 (x) Temporary or transient art, music, theatrical, dance,
16 literary, or cultural festival.

17 (c) "Exempt event" means an event that is 1 or more of the
18 following:

19 (i) All high school, middle school, and elementary or grade
20 school events.

21 (ii) Events sponsored by a nonprofit or charitable
22 organization.

23 (iii) Collegiate athletic events.

24 (d) "Fund" or "entertainment tax fund" means the entertainment
25 tax fund created in section 6.

26 (e) "Qualified municipality" means a city with a population of
27 100,000 or more.

28 Sec. 3. (1) An excise tax is levied on the admission charge of

1 each entertainment event held in a qualified municipality.

2 (2) The rate of the excise tax is 10% of the admission charge
3 of the entertainment event.

4 Sec. 4. (1) The excise tax shall be collected at the same time
5 and in the same manner as the tax imposed under the use tax act,
6 1937 PA 94, MCL 205.91 to 205.111.

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

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

13 Sec. 5. A taxpayer may reimburse himself or herself by adding
14 the amount of the tax to the admission charge.

15 Sec. 6. (1) The entertainment tax fund is created within the
16 state treasury.

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

20 (3) The state treasurer may receive money or other assets from
21 any source for deposit into the fund. The state treasurer shall
22 direct the investment of the fund. The state treasurer shall credit
23 to the fund interest and earnings from fund investments.

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

26 (5) The state treasurer shall expend money from the fund, upon
27 appropriation, as follows:

28 (a) Seventy-five percent shall be used to fund other
29 postemployment retirement benefits for police officers and fire

1 fighters of the qualified municipality in which the entertainment
2 event took place.

3 (b) Twenty-five percent shall be used to fund retirement
4 benefits for police officers and fire fighters of the qualified
5 municipality in which the entertainment event took place.