

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2019 REGULAR SESSION**

MEASURE

2019 BR NUMBER 0094

HOUSE BILL NUMBER 29

TITLE AN ACT relating to the taxation of admissions for sales and use tax.

SPONSOR Representative David Meade

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: _____

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

| FISCAL ESTIMATES | 2018-2019 | 2019-2020 | ANNUAL IMPACT AT FULL IMPLEMENTATION |
|------------------|------------------------|------------------------|--------------------------------------|
| REVENUES | (\$35,000) Negative | (\$35,000) Negative | (\$35,000) Negative |
| EXPENDITURES | | | |
| NET EFFECT | (\$35,000) Negative | (\$35,000) Negative | (\$35,000) Negative |

() indicates a decrease/negative

PURPOSE OF MEASURE: Effective July 1, 2018, sales tax was imposed on the sale of admissions for the privilege of using facilities or participating in an event or activity. As a result fees paid to participate in fishing tournaments and boat ramp fees became subject to the 6 percent sales tax. This proposal, if enacted, will repeal the 6 percent sales tax that was levied effective July 1, 2018 on the sale of admissions to enter or participate in a fishing tournament and any admissions in the form of a fee paid for the use of a boat ramp to allow boats to be launched into or hauled out from the water. The proposal also allows persons who have been charged tax on these admissions to seek a refund from the person responsible for collecting and remitting the sales tax to the Commonwealth.

FISCAL EXPLANATION: It is estimated that there will be a negative impact to the General Fund of \$35,000 in fiscal year 2018-2019 and 2019-2020.

According to the Kentucky Department of Fish and Wildlife’s website, as of January 31, 2019 there are 217 fishing tournaments scheduled to take place in calendar year 2019 where over 11,000 boats are anticipated to participate. For purposes of this estimate, it is assumed that the number of fishing tournaments scheduled for 2019 is reflective of those to be held in 2020, and the entry fees range from \$25 to \$200 per boat. Limited data revealed that boat ramp fees may range from \$2 per launch to \$30 for unlimited launching with season passes. However, there is no available data as to how many launches took place statewide in previous years or how much revenue was generated from that activity.

DATA SOURCE(S): Ky Dept of Fish and Wildlife website, U.S.A Bassin, Ky B.A.S.S. Nation

PREPARER: Charlotte Quarles **NOTE NUMBER:** 17 **REVIEW:** JAB **DATE:** 2/5/2019