

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2025 REGULAR SESSION**

MEASURE

2025 BR NUMBER 967

HOUSE BILL NUMBER 739

TITLE AN ACT relating to sales tax rebates for entertainment events.

SPONSOR Representative Susan Witten

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	2024-2025	2025-2026	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(\$2,900,000)	(\$2,900,000)
EXPENDITURES			
NET EFFECT		(\$2,900,000)	(\$2,900,000)

() indicates a decrease/negative

PURPOSE OF MEASURE: House Bill 739 provides a rebate of sales tax equal to 50% of the Kentucky sales tax generated by the sale of admissions to a qualifying attraction held at a venue, and the sales of tangible personal property and services related to the qualifying attraction, including but not limited to the sale of food and beverage concessions, souvenirs, camping, and parking. The rebate shall be allocated as 50% to the facility operator and 50% to the sponsoring entity of the qualifying attraction. The bill further explains the process by which the entities may obtain the rebate from the Department of Revenue.

A qualifying attraction means a series of entertainment events, which are live performances or exhibitions of musical, theatrical, cultural, culinary, or other artistic presentations, lasting at least three days, hosted by a sponsoring entity pursuant to an agreement that requires the event to happen annually for at least five years, and has 100,000 admissions over the duration of each series of events. The venue may be public property, a park that is open the public and owned by a nonprofit organization, a property owned, operated, or controlled by a public university; or privately owned property that can accommodate the events.

FISCAL EXPLANATION: In order to estimate potential foregone revenue, it is necessary to know attendance and taxable expenditures for each qualifying attraction, as defined by HB 739. The estimated attendance and taxable expenditures for the festivals Bourbon and Beyond and Louder than Life are used to estimate HB 739.

According to Louisville Tourism and Convention Bureau, anticipated attendance in 2025 for Bourbon and Beyond is 210,000 and Louder than Life is 160,000. Averaging ticket prices and fees from the single-day and four-day general admissions for each event, average single day ticket prices are assumed to be \$134 and \$152 for Bourbon and Beyond and Louder than Life, respectively. According to a 2018 impact analysis by Commonwealth Economics, taxable expenditures per attendee, including expenditures on food and beverages, merchandise, camping, and other spending, was approximately \$230 per event attended. Using the Consumer Price Index to inflate this to 2025, it is estimated taxable expenditures per attendee will be approximately \$287 for each qualifying attraction. Adjusting for those who attend more than one day of the event, it is estimated the total revenue subject to the sales tax for qualifying attractions in 2025 will be approximately \$96.7 million. Applying Kentucky's six percent sales tax and the 50 percent rebate, per HB 739, it is estimated HB 739 will decrease General Fund collections by approximately \$2.9 million in FY 2026.

DATA SOURCE(S): LRC Staff, Bureau of Labor Statistics (BLS), Commonwealth Economics
PREPARER: Katy Jenkins **NOTE NUMBER:** 154 **REVIEW:** JMR **DATE:** 3/7/2025