
ADMISSIONS TAX

The *Arvada Municipal Code – Chapter 98*, Article VI imposes a four percent (4%) excise tax upon the price paid to gain admission or access to any place or event in the city that is open to the public.

The term “*place or event open to the public*” shall mean any place or event to which admission or access is open to members of the public upon payment of a charge or fee. This term includes without limitation the following places or events when a charge or fee for admission to such places or events is imposed upon members of the public.

- (1) A performance of a motion picture, stage show, play, concert or other manifestation of the performing arts;
- (2) Any sports or athletic contest, exhibit, or event, either amateur or professional;
- (3) Any lecture, rally, speech, or dissertation;
- (4) Any showing display, or exhibition of any type, including art exhibitions;
- (5) Any restaurant, tavern, lounge, or club, whether the admission is called a “cover charge,” “door charge,” or any other such term.

The following entities and transactions are **exempt** from the duty to pay, collect and remit the admissions tax imposed by this article:

- (1) All sales to the United States of America, to the State of Colorado, its departments or institutions and political subdivisions thereof, which are acting in their governmental capacities, and to all sales to the city or any department thereof;
- (2) Religious, charitable, fraternal and quasi-governmental organizations, but only in the conduct of their regular religious, charitable, fraternal and quasi-governmental capacities;
- (3) Amateur theatrical productions that engage nonprofessional stage players.
- (4) Any person who refunds an admission price for any reason, either before or after the event has taken place, and refunds the admissions tax along with the price of admissions;
- (5) Any person who provides free passes or complimentary admission tickets or otherwise fails to charge admission price to a place or event open to the public, but if such person imposes reduced admission charge for any such pass, complimentary admission, or otherwise, the admissions tax imposed by this article applies to the actual amount of such reduced admission price;
- (6) Any admission fee paid or charged to gain entry into any facility owned by the City or any event sponsored or conducted by the City.

- (7) Any admission or access fee charged to gain entry into a health and athletic club facility.
- (8) Any admission or access fee charged to gain entry into the Arvada Center for the Arts and Humanities facility.

EXAMPLES

1. A local high school sells tickets to school basketball games. The high school is a public school and a governmental entity **[Exempt (1)]**. Thus, tickets purchased for the game are not subject to the Admissions Tax.
2. A bowling alley charges a fee to gain access to a blowing lane for a specific period of time. The fee amount is subject to Admissions Tax.
3. A firing range charges a fee to gain access to the range for a specific period of time. The fee amount is subject to Admissions Tax.
4. An indoor trampoline facility charges a fee to gain access to the trampolines for a specific period of time. The fee amount is subject to Admissions Tax.
5. A fitness club sells memberships or charges a fee to access the facility. The fee or price paid for memberships would not be subject to Admission Tax per **[Exempt (7)]**.
6. A local concert promoter gives a group of tickets to a radio station to be awarded as prizes in contests. These are complimentary tickets **[Exempt (5)]** and as such are not subject to Admissions Tax. If the tickets had been traded to the radio station for commercial air time, Admissions Tax would be due based on the price of the admission or the value of the air time, whichever is less, received in exchange for the tickets.
7. The Boot Skoot'n Bar has a cover charge for Friday and Saturday nights to cover the charge for the band. The "cover charge" is subject to Admissions Tax.
8. A local movie theater sells tickets to various movies it shows. The ticket sales are subject to Admissions Tax. The current price of a movie ticket is \$9.00 which includes an Admission Tax of 4%. To determine the amount of the monthly ticket sales and admissions tax, the gross receipts amount for the month is divided by 1.04.

Example calculation:

The theater has \$85,000 in Gross Receipts for the month (this amount consists of the ticket sales and Admissions Tax).

Step 1 \$85,000 Gross Receipts divided by 1.04 = \$81,730.77 Ticket Sales

Step 2 \$85,000 Gross Receipts minus \$81,730.77 Ticket Sales =
 \$3,269.23 Admission Tax (4%) payable to the City.

ARTICLE VI

ADMISSIONS TAX

Sec. 98-311. Imposition and rate of tax.

*On and after July 1, 1985, there is hereby imposed and shall be paid and collected, an excise tax of **four** percent on the price to gain admission or access to any place or event in the city that is open to the public.*

Sec. 98-313. Liability for tax.

(a) It shall be a violation of this article for any person who pays to gain admission to any place or event in the city that is open to the public to fail to pay the admissions tax imposed pursuant to this article.

(b) It shall be a violation of this article for any person, whether owner, lessee, or operator, who charges or causes admission to be charged to any place or event in the city that is open to the public to fail to collect and remit the admissions tax to the city. If an owner or operator of a facility leases or rents such facility to another party who conducts an event open to the public in such facility, such owner or operator shall not be liable for collecting and remitting the admissions tax, provided that such party to whom the facility is leased or rented is at the time of such leasing or rental licensed to collect and remit the admissions tax.

(c) The burden of proving that any transaction is not subject to the admissions tax imposed pursuant to this article shall be upon the person upon whom the duty to collect and remit the admissions tax is imposed.

Sec. 98-317. Duty to keep books and records; audit.

(a) It shall be the duty of every person subject to the provisions of this article to keep and preserve suitable records of all sums of money paid for admission to any place or event in the city that is open to the public in order to determine the amount of admissions tax that is due and owing to the city by any person subject to the provisions of this article.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT ARVADA TAX LAW FOR THIS SUBJECT, INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE ARVADA MUNICIPAL CODE. HOWEVER, THE TAX GUIDE SHALL BE USED IN CONJUNCTION WITH THE ARVADA MUNICIPAL CODE (CHAPTER 98) IN DETERMINING TAX LIABILITY.