
MOTION PICTURE THEATER

The *Arvada Municipal Code* imposes a sales tax upon the purchase price paid for tangible personal property and certain taxable services in the City by the ultimate user or consumer. This also includes a use tax upon using, storing, distributing or otherwise consuming in the City any article of tangible personal property purchased, leased or rented from sources outside the City on which a lawfully imposed sales tax has not been paid

Film Rentals

The rental of motion picture films for display to the public for profit is subject to use tax. Motion picture theaters regularly enter into agreements with various motion picture distributors under which it obtains copies of copyrighted motion films and a license to exhibit those motion pictures to the public for a limited period. Upon expiration of that period, the films must be returned to the distributors. As consideration the motion picture theater pays a fee which is based on the admission fees received from patrons. See - 1995 court case - American Multi-Cinema, Inc. v. City of Westminster.

Admission Tax

Box office receipts are subjected to admission tax **(4%) - see Admissions Tax**.

Concession Sales

The sale of food, candy and merchandise is subject to Arvada sales tax.

Gaming Machines

Revenue from coin-operated machines (amusement devices) is not subject to use tax however, the purchase of the actual machine would be subject to sales/use tax. If the machines are not owned by the business, then the owner of the machines will need to be licensed.

Other Items

Title Art - is lighted signs that are use outside of the auditoriums indicating the movie playing.

1 Sheet Trailers - are movie posters advertising upcoming movie releases. The purchase of title art and/or posters is subject to Arvada sales/use tax. Subsequent sales of the same items (to the public/employees) after the initial use by the theater would again be subject to sales/use tax.

ARVADA MUNICIPAL CODE – Chapter 98 – Taxation

ARTICLE III. – Sales and Use Tax

Sec.98-68. Definitions.

Purchase or sale means the acquisition for any consideration by any person of tangible personal property or taxable services that are purchased, leased, rented, sold, used, stored, distributed, or consumed, but excludes a bona fide gift of property or services. These terms include capital leases, installment and credit sales, and property and services acquired by:

- (2) A lease, lease-purchase agreement, rental or grant of a license, including royalty agreements, to use tangible personal property or taxable services, the utilization of coin-operated devices, except coin-operated telephones, which do not vent articles of tangible personal property shall be considered short term rentals of tangible personal property;

Tangible personal property means personal property that can be one or more of the following: seen, weighed, measured, felt, touched, stored, transported, exchanged, or that is in any other manner perceptible to the senses.

Sec.98-66. Property and service taxed.

There is hereby levied and there shall be collected and paid a tax in the amount stated in section 98-76 as follows:

- (1) On all sales and services taxable, including, but not limited to the following:
 - a. On the purchase price paid or charged upon all sales and purchases of tangible personal property at retail within the city, except as the purchase price is reduced by an allowance for an exchange of tangible personal property, at fair market value, and which, is intended to be offered for resale.

Sec.98-77. Tax on use, storage, distribution, and consumption; intent.

It is hereby declared to be the legislative intent of the city council that for the purposes of this article every person who stores, uses, distributes or consumes within the city any article of tangible personal property purchased at retail, and not stored or distributed in normal function of wholesaling, is exercising a taxable privilege. It is hereby declared that every resident of the city or any person doing business within the city who purchases or leases tangible personal property for use, storage or consumption within the city from sources outside the city and taxable hereunder, and who has not paid the tax imposed by this article, shall make a return and pay the tax to the finance director. The use, storage or consumption of tangible personal property includes for the purpose of this article, materials, commodities and items of tangible personal property affixed to or made a part of facilities and structures on real property owned or leased situated within 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.

RELATED TOPICS **ADMISSIONS TAX**

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.