

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 24, 2015

Agency Submitting: Department of Taxation

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

Please see attached

Name Deonne Contine

Title Executive Director

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Friday, March 20, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director

DESCRIPTION OF FISCAL EFFECTBDR/Bill/Amendment Number: BDR 32-720Name of Agency: Department of Taxation

Division/Department: _____

Date: March 13, 2015

BDR 32-720 revises provisions relating to the Live Entertainment Tax, and specifically modifies the exemptions and exclusions from the tax.

Expenses:

The Department can continue to administer the Live Entertainment Tax with the changes provided in this bill with current staffing and resources.

Revenue:

Because this bill removes several exemptions and exclusions the revenue from Live Entertainment Tax is estimated to increase. However, the Department is unable to forecast the additional amount of revenue that might be collected as we cannot ascertain how many additional businesses may now qualify to register and file and how much in taxes they might collect and remit.

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 24, 2015

Agency Submitting: Gaming Control Board

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
GL 3031 (decrease) (Revenue)		\$15,700,907	\$15,700,907	\$31,401,815
Total	0	\$15,700,907	\$15,700,907	\$31,401,815

Explanation

(Use Additional Sheets of Attachments, if required)

For Live Entertainment Tax revenues collected by the Gaming Control Board, this BDR as written will result in a decrease in revenue of \$15,700,907.90 in the next fiscal year. The future years use the same figure as it cannot be determined what, if any, changes in venue and types of entertainment might occur. The decrease in revenue is caused by the elimination of live entertainment tax being paid for live entertainment in venues that do not charge an admission fee, such as lounges, restaurants and convention rooms. Of Group 1 licensees (larger casinos), the amount of projected LET paid by 20 gaming licensee with 48 venues was reviewed to obtain an average amount which was applied for a total of approximately 123 venues that do no charge admission fees, which resulted in \$15,665,210 million that would not be paid. For Group 2 licensees (smaller casinos), 24 venues that currently pay live entertainment tax will not pay because they do not charge admission fees, resulting in a reduction of \$35,697.90. The elimination of exemptions under current law will not substantially affect (increase) live entertainment tax revenue collected by the Gaming Control Board because the exemptions eliminated do not occur at gaming establishments.

Name Buffy Brown

Title Sr. Research Specialist

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Monday, March 23, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director