

Stadium Admission Tax

Description

The City imposes a tax for the right or privilege to enter and occupy a seat or space in a stadium for each event, unless specifically excluded from the tax.

Size

FY 2006-07: Budget \$2.88 million, or approximately 0.11 percent of General Fund Resources

FY 2005-06: Actual \$2.72 million, or approximately 0.10 percent of General Fund Resources

FY 2004-05: Actual \$2.18 million, or approximately 0.09 percent of General Fund Resources

FY 2003-04: Actual \$2.67 million, or approximately 0.12 percent of General Fund Resources

Statute

San Francisco Charter Section 4.113(3)

San Francisco Business & Tax Regulation Code, Article 11

Allocation

This revenue accrues to the General Fund and is allocated as follows in the FY 2006-07 Budget:

- 67.9 percent is allocated to General Fund UNA (i.e. Unallocated)
- 32.1 percent is allocated to General Fund REC (i.e. the Recreation and Park Department)

Collection Method & Issues

Payees (i.e. venue operators) of stadium admission tax pay the first \$0.50 per ticket during the month following the month in which the ticket sale took place. All admission taxes due above the \$0.50 per ticket level may be paid either monthly or annually at the discretion of the payee. If the payee opts to pay annually, then payment is due on February 1 for tickets sold during the previous calendar year. For payees who operate an occasional athletic contest, event or exhibit, the payment must be made within five days after completion of the event.

Tax Rate Structure

The tax rate is comprised of both a regular and supplemental tax. The tax rate table below shows that ticket holders pay \$0.75 in tax for tickets priced at \$25.01 and under, \$1.75 for tickets priced at \$25.01 to \$26.99, and \$2.25 for tickets priced at \$27.00 and over. A voter approved amendment (Proposition F in November 1998) limited tax on tickets for all professional baseball games at SBC Park to a flat \$0.25, regardless of ticket price, during the lease between the tenant and the Port Commission.

Stadium Admission Tax Rate Structure		
	Ticket Cost	Tax per Ticket
Regular Admission Tax	\$25.01 or less	\$0.50
	\$25.02 or more	\$1.50
Supplemental Admission Tax	\$26.99 or less	\$0.25
	\$27.00 or more	\$0.75
Tickets for professional baseball games at SBC Park	N/A	\$0.25

Accounting Information

General Fund Unallocated: Index Code 995031 / Sub-object 12910

Recreation & Park Index Code RECSTADIUMGF / Sub-object 12910

Historical Information

The Stadium Admission Tax was originally imposed in 1970, at the time of the expansion of Candlestick Park. A temporary supplement was added in 1991 to fund middle and high school sports. Following the passage of State Proposition 218 in 1996, Proposition F was put before the San Francisco voters in 1998 to ensure full compliance of the Stadium Admission Tax with the provisions required under Proposition 218 (including its January 1, 1995 tax effect date).

Proposition F provided for the base (non-supplemental) revenues to be deposited in the General Fund (following the completion of funding improvement obligations at Candlestick Park). It also made these base revenues subject to the budgetary and fiscal provisions of the Charter and provided that the funds could be expended for any lawful City purpose. Additionally, Proposition F made the supplemental portion of the tax permanent along with limiting the revenues from SBC Park to \$0.25 per ticket. Proposition F mandated that the supplemental portion be deposited in the General Fund and that all supplemental proceeds 'not be earmarked for any special purpose' – i.e. making the supplemental portion a general tax revenue as well. While Proposition F affirmed that all Stadium Admission Tax revenue is general-purpose, the City has continued to fund various after school sports and school-related programs in the budget.

Trends & Projections

Attendance at Giants and 49er games generates over 80 percent of Stadium Admission Tax revenue. As long as these teams continue to reach stadium capacities (i.e. sell out), this portion of the revenue is very stable and predictable. The remaining portion is based upon special events such as concerts and Kezar Stadium events.

Stadium Admission Tax

		Annual Growth		
Fiscal Year	Total Revenue (\$ million)	\$ Change (\$ million)	% Change	
FY 1993-94	\$ 2.79			
FY 1994-95	\$ 2.11	\$ (0.69)	-24.6%	
FY 1995-96	\$ 3.25	\$ 1.15	54.4%	
FY 1996-97	\$ 2.59	\$ (0.66)	-20.4%	
FY 1997-98	\$ 2.93	\$ 0.35	13.4%	
FY 1998-99	\$ 3.28	\$ 0.35	11.8%	
FY 1999-00	\$ 3.59	\$ 0.31	9.5%	
FY 2000-01	\$ 2.88	\$ (0.71)	-19.8%	
FY 2001-02	\$ 2.25	\$ (0.63)	-21.8%	
FY 2002-03	\$ 2.86	\$ 0.61	27.1%	
FY 2003-04	\$ 2.67	\$ (0.19)	-6.6%	
FY 2004-05	\$ 2.18	\$ (0.49)	-18.4%	
FY 2005-06	\$ 2.72	\$ 0.54	24.6%	
Budget FY 2006-07	\$ 2.88	\$ 0.16	5.9%	

Sensitivities

The sensitivity of this revenue is tied to the attendance of the Giants and 49ers games. Should either team experience a decline in attendance there will be a decline in revenue. Replacing Candlestick Park or building a new larger stadium could also affect this revenue.