



STATE OF NEW JERSEY
DEPARTMENT OF THE TREASURY
DIVISION OF TAXATION
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ADMISSIONS SURCHARGE
(effective April 1, 2010)
March 30, 2010

P.L. 2007, c.302 (N.J.S.A.40:48G-1), effective January 13, 2008 authorized municipalities to impose a surcharge in the amount of 5% of each admission charge to a “major place of amusement” that is subject to New Jersey sales tax.

To date, the Division has received a qualifying ordinance imposing such a surcharge from the following municipalities:

<u>Municipalities</u>	<u>Place of Amusement</u>	<u>Date</u>
<u>Effective</u> City of Newark	Prudential Center	April 1, 2010

SUBJECTIVITY

ALL BUSINESSES SELLING ADMISSIONS TO ANY MAJOR PLACE OF AMUSEMENT LISTED ABOVE AFTER THE PRESCRIBED DATE MUST COLLECT AND REMIT A FIVE PERCENT SURCHARGE ON THE ADMISSIONS PRICE CHARGED. THE SURCHARGE MUST BE SEPARATELY STATED ON ANY BILL, RECEIPT, INVOICE OR SIMILAR DOCUMENT PROVIDED TO THE PATRON.

The seller may not assume or absorb the surcharge imposed by the ordinance and may not hold itself out as doing so. The surcharge amount is not included as part of the sales price for purposes of applying sales tax to the admissions charge.

The surcharge shall apply to all sales of admissions sold on or after April 1, 2010. The surcharge is not applicable to ticket sales that occurred before April 1, 2010 even where those tickets relate to events that will take place after the effective date.

DEFINITIONS

“Admission charge” means the amount paid for admission, including any service charge and any charge for entertainment at a place of amusement, including but not limited to a dramatic or musical arts admission charge”. For purposes of this surcharge, the admission charge is equal to the “sales price” as defined by the Sales and Use Tax Act (N.J.S.A.54:32B-1 et seq.).

“Major place of amusement” means any place where any facilities for entertainment, amusement, or sports are provided that contains seating capacity for 10,000 patrons. This term does not include movie theaters or amusement parks. This definition does not include any place of amusement owned by the State or any of its independent authorities or places of amusement located on the property of the State or any of the State’s independent authorities.

REGISTRATION

Subject taxpayers must register for the Admissions Surcharge by April 1, 2010. If you are not already registered for New Jersey tax purposes, you may register online at: https://www.state.nj.us/cgi-bin/treasury/revenue/dcr/reg/sos_dcrnew01_page1.cgi (Select Register a new business entity).

If you are already registered, you must update your registration online at: https://www1.state.nj.us/TYTR_REGC/jsp/OwnershipLogin.jsp (Online Registration Change Service). Your online PIN, as listed in the Employer Quarterly Report (NJ-927), will be required. Call the Client Registration Branch of the Division of Revenue at (609) 292-9292 for assistance with the PIN or other questions relating to registration.

FILING AND PAYMENT

The Admissions Surcharge is applicable to the sales of admissions to an event occurring at the Prudential Center in Newark beginning on April 1, 2010. The Tax will be reported and remitted on a monthly basis and the first return, covering the period of April 1 through April 30 will be due on May 20, 2010. Additional information concerning the form and manner of payment will be provided when it becomes available.

EXEMPTIONS TO THE SURCHARGE

Where the admissions surcharge is applicable, the surcharge applies to the same tax base as that prescribed by the Sales and Use Tax Act (N.J.S.A. 54:32B-1 et seq.). Therefore, where a valid exemption is claimed for purposes of sales tax, that exemption likewise applies to the admissions surcharge. Likely examples of valid exemptions include Resale Certificates (Form ST-3) and Exempt Organization Certificates (Form ST-5). No additional forms are required to extend the sales tax exemption to 5% admissions surcharge on the purchase.

For additional tax information, contact Susan Greitz of the Regulatory Services Branch at (609) 292-5994

OBSOLETE