



Business tax tip #33

Admissions and Amusement Tax on Fundraisers

What is the admissions and amusement tax?

The admissions and amusement tax is a locally imposed tax on the gross receipts from:

- admissions to events like concerts, movies and sports games
- the use of games of entertainment
- the use of recreational and sports facilities
- the use or rental of recreational or sports equipment; and
- the sale of merchandise, refreshments, or service at a night club or similar place where entertainment is provided.

Effective June 1, 2009, electronic bingo machines and electronic tip jars are subject to a State admissions and amusement tax of 30 percent on the taxable net proceeds. The tax is in addition to any county or municipal admissions and amusement tax which may be levied. If the proceeds subject to tax are also subject to a county or municipal corporation tax, then the tax rate when combined must not exceed 35 percent.

Who collects the admissions and amusement tax?

The local admissions and amusement tax is collected by the State Comptroller's Office for Maryland's counties, Baltimore City and other incorporated cities and towns. The entire amount of the tax collected, less administrative expenses, is returned to the municipalities and counties imposing the tax. The state tax on electronic bingo and electronic tip jars goes into the state's general fund.

Does the admissions and amusement tax apply to receipts from tickets to political fundraisers?

The gross receipts from sales of tickets to political fundraisers are not subject to tax.

Are receipts from wheels and games at political fundraisers taxable?

The taxation of wheels and games does not depend upon whether a "performance" is provided. The tax applies to receipts from these activities even if no live entertainment is provided.

Can you deduct the cost of prizes in calculating the tax?

No. The admissions and amusement tax is a gross receipts tax and not an income tax. There is no deduction permitted for the cost of prizes.

Do I have to pay admissions and amusement tax on receipts from wheels and games if I donate an amount equal to the tax to charity?

Yes. The admissions and amusement tax law requires that all the receipts be donated to charity to get an exemption.¹ The gross receipts from sales of tickets to political fundraisers are not subject to tax.

What is the admissions and amusement tax rate?

The local admissions and amusement tax is imposed by the subdivisions at varying rates up to 10 percent. You can download a rate chart [here](#).

Where can I get an admissions and amusement tax return?

To obtain a return, call our Special Events Section at 410-767-1540. In many cases, the facility at which the event is taking place has notified the Special Events Section ahead of time. In these cases, you will receive a return directly from the Special Events Section.

How do I file?

If you receive a return from the Special Events Section, you must file it, together with any taxes due, by the 10th day of the month following the month when the event occurred. If you have not received a return and believe that no taxes are owed, no return need be filed. You must retain records of the events for four years for audit purposes.

What about the sales and use tax?

In general, sales of tickets to bull roasts, receptions, fund-raising dinners and similar affairs are not considered sales of food. The admissions and amusement tax applies to ticket sales. Maryland sales and use tax should not be charged on ticket prices. However, the sales and use tax must be paid on purchases of food and beverages from caterers. The sales and use tax must be charged on separate sales of beverages or other personal property are made at the event.

¹ Tax-General Article § 4-103(b)(4).