

# HOUSE BILL No. 5174

October 24, 2017, Introduced by Reps. Santana, Sneller, Ellison, Gay-Dagnogo, Durhal, Chirkun, Cochran, Dianda, Garrett, Geiss and Hertel and referred to the Committee on Tax Policy.

A bill to provide for the levy, collection, and administration of an excise tax on the admission charge to an entertainment event in this state; to provide for the disposition of the proceeds of the tax; to prescribe the powers and duties of certain state departments; and to provide for certain exemptions.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1. This act shall be known and may be cited as the  
2 "entertainment tax act".

3           Sec. 2. As used in this act:

4           (a) "Admission charge" means the actual charge, excluding  
5 memberships, paid to attend the entertainment event.

6           (b) "Entertainment event" or "event" means 1 or more of the  
7 following that is not an exempt event that has a seating capacity

1 of 500 or more:

2 (i) Zoo.

3 (ii) Live theater.

4 (iii) Museum.

5 (iv) Opera.

6 (v) Professional sporting event.

7 (vi) Concert.

8 (vii) Temporary or transient entertainment production.

9 (viii) Botanical gardens.

10 (ix) Amusement parks.

11 (x) Temporary or transient art, music, theatrical, dance,  
12 literary, or cultural festival.

13 (c) "Exempt event" means an event that is 1 or more of the  
14 following:

15 (i) All high school, middle school, and elementary or grade  
16 school events.

17 (ii) Events sponsored by a nonprofit or charitable  
18 organization.

19 (iii) Collegiate athletic events.

20 (d) "Fund" or "entertainment tax fund" means the entertainment  
21 tax fund created in section 6.

22 (e) "Qualified municipality" means a city with a population of  
23 100,000 or more.

24 Sec. 3. (1) An excise tax is levied on the admission charge of  
25 each entertainment event held in a qualified municipality.

26 (2) The rate of the excise tax is 10% of the admission charge  
27 of the entertainment event.

1           Sec. 4. (1) The excise tax shall be collected at the same time  
2 and in the same manner as the tax imposed under the use tax act,  
3 1937 PA 94, MCL 205.91 to 205.111.

4           (2) The excise tax imposed by this act shall be administered  
5 by the state treasurer under 1941 PA 122, MCL 205.1 to 205.31.

6           (3) The state treasurer shall prescribe the forms necessary  
7 for the administration of this act and may promulgate necessary  
8 rules under the administrative procedures act of 1969, 1969 PA 306,  
9 MCL 24.201 to 24.328.

10          Sec. 5. A taxpayer may reimburse himself or herself by adding  
11 the amount of the tax to the admission charge.

12          Sec. 6. (1) The entertainment tax fund is created within the  
13 state treasury.

14          (2) The proceeds from the collection of the excise tax imposed  
15 under this act shall be deposited with the state treasurer and  
16 credited to the fund.

17          (3) The state treasurer may receive money or other assets from  
18 any source for deposit into the fund. The state treasurer shall  
19 direct the investment of the fund. The state treasurer shall credit  
20 to the fund interest and earnings from fund investments.

21          (4) Money in the fund at the close of the fiscal year shall  
22 remain in the fund and shall not lapse to the general fund.

23          (5) The state treasurer shall expend money from the fund, upon  
24 appropriation, as follows:

25           (a) Seventy-five percent shall be used to fund other  
26 postemployment retirement benefits for police officers and fire  
27 fighters of the qualified municipality in which the entertainment

1 event took place.

2 (b) Twenty-five percent shall be used to fund retirement  
3 benefits for police officers and fire fighters of the qualified  
4 municipality in which the entertainment event took place.