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**Ways & Means Committee**

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**SB 6126**

**Brief Description:** Concerning boxing, martial arts, and wrestling events.

**Sponsors:** Senators Prentice and Tom.

**Brief Summary of Bill**

- Changes the 5 percent gross receipts tax on professional athletics events to an event fee.
- Requires the professional athletics program administered by the Department of Licensing to be fully supported by fees.

**Hearing Date:** 4/25/09

**Staff:** Serah Stetson (786-7109) and Joan Elgee (786-7106).

**Background:**

The Department of Licensing (Department) regulates professional athletics events, which include boxing, martial arts, and wrestling events. Participants, promoters, inspectors, and others involved with the events must obtain a license from the Department. Promoters pay a tax of 5 percent on gross receipts. The 5 percent gross receipts tax is also paid on gross receipts on simulcast telecasts. Taxes and fees are deposited into the General Fund.

Nearly all other programs administered by the Department's Business and Professions Division are required to be self-supported by fees and are funded out of a specific dedicated account or the Business and Professions Account. Fees for the professional athletics program, however, do not have to offset the cost of the program.

**Summary of Bill:**

The gross receipts tax on professional athletics events is changed to an event fee. The Department must set event fees and license fees by rule and in amounts that are sufficient to

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defray the costs of administering the professional athletics program. The Department must deposit event fees and license fees into the Business and Professions Account rather than the General Fund.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.