

HOUSE BILL REPORT

SB 5667

As Reported By House Committee On:

Commerce & Labor

Title: An act relating to boxing, kickboxing, martial arts, and wrestling.

Brief Description: Increasing the number of untaxed complimentary tickets available for boxing, kickboxing, martial arts, and wrestling.

Sponsors: Senators West and Heavey.

Brief History:

Committee Activity:

Commerce & Labor: 3/29/99 [DP].

Brief Summary of Bill

- The percentage of complimentary tickets issued for wrestling, boxing, and martial arts events that are exempt from taxation is increased to 10 percent, not to exceed 1,000 tickets.

HOUSE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk; McIntire and McMorris.

Staff: Douglas Ruth (786-7134).

Background:

The Department of Licensing imposes a five percent tax on the gross receipts of ticket sales for some sporting events such as wrestling, boxing, and martial arts.

A percentage of complimentary tickets for these events are exempt from taxation. The percentage of exempt tickets is limited to 5 percent of the total tickets sold per event, but no more than 300 tickets. These complimentary tickets are often given away on radio programs and through contests to promote events.

Summary of Bill:

The percentage of complimentary tickets for events such as wrestling, boxing, and martial arts that are exempt from taxation is raised to 10 percent of the total tickets sold per event, not to exceed 1,000 tickets.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Wrestling, boxing, and martial arts are the only category of entertainment that have a tax on the tickets sold for the event, and a limit on the number of complimentary tickets. Circuses and other shows do not have a specific tax on their tickets. The complimentary tickets are normally used for promotional purposes, such as radio show giveaways and donations to youth groups. Taxes should not be paid on complimentary tickets when no money is received.

Testimony Against: None.

Testified: Phil Watkins, Spokane Public Facilities District; and Randy Lewis, city of Tacoma.