

Frequently Asked Questions about the Columbus 5% Ticket Fee **(8/22/2019)**

GENERAL QUESTIONS

When do I have to start applying the fee to tickets?

The ticket fee went into effect July 1, 2019. Any tickets sold on or after that date, not meeting the exemptions, must have the fee applied.

How do I establish my account with the auditor's office and make sure I'm filing ticket fee receipts on time?

Please see the Auditor's FAQ for all administrative and financial reporting questions. Vendors will file with the City of Columbus Income Tax Division by the 20th of each month for the events held in the month preceding (e.g.: a vendor files a return by Aug. 20 for events held in month of July) at www.columbustax.net

Is the ticket fee applied before or after other fees or taxes?

The ticket fee is applied to the base price of the ticket, prior to any other taxes or fees such as Ticketmaster.

I offer an early admission add-on option for ticket purchasers. Is this part of the taxable ticket price?

Yes, if there is an add-on directly related to admission, that becomes part of the base price.

My ticket price is currently \$10 but eventually I may need to raise it to cover costs. Is there anything in the legislation that addresses inflation?

Yes, the legislation calls for a review of appropriateness of exemption limits every three years.

I've read this FAQ but have more questions about the legislation or its application, who do I ask?

Please contact Jami Goldstein at jgoldstein@gcac.org or 614/221-8492 so we can assist you and revise this document as needed.

EXEMPTIONS

Do both the \$10 and under and 400 seat and under criteria need to be met before the event is exempt?

No. These are separate exemptions in the legislation and an event only needs to meet one to be exempt.

For example:

- *Venue A has a capacity of 250 and is charging a show of \$20. Is the ticket fee to be collected / reported?* Venue A is exempt because capacity is less than 400, unless the entity is a nonprofit receiving Operating Support from GCAC

- *Venue B has a capacity of 500 and the event ticket price is \$9. Is the ticket fee to be collected / reported?* Venue B is exempt because ticket is under \$10, unless the entity is a nonprofit receiving Operating Support from GCAC

I am a nonprofit 501(c)* organization (this includes schools) that produces events to raise money for my cause, do we need to apply the fee to our tickets?

No, most 501(c) organizations are exempt from applying the fee to their tickets at any venue, including Nationwide Arena (see exception related to Operating Support recipients below). **Applies to all 501(c) 1-29.*

My organization receives Operating Support from the Greater Columbus Arts Council and we are producing an event with a \$10 ticket (or in a venue with 400 seats or less). Are we exempt?

NO. Because you receive Operating Support, you must apply the ticket fee to all your ticketed events, regardless of venue size or ticket price. GCAC Operating Support recipients have **NO** exemptions related to venue size or admission price on events in the city of Columbus. The only exclusion to this are tickets to annual fundraisers that raises money for the operations of your organization.

My nonprofit organization receives Project Support from the Greater Columbus Arts Council and we are producing an event in a 500-seat theater with a \$20 ticket fee. Is our event exempt from the ticket fee?

Yes, because you are a nonprofit organization. 501(c)* designated organizations are exempt from applying the ticket fee, regardless of venue size and ticket price. (With the exception, as stated above, of Operation Support grantees). **Applies to all 501(c) designations.*

I am a for profit organization who rents my facility to and sells tickets on behalf of a nonprofit 501 (c) organization, who does not receive operating support from GCAC. Am I required to collect the 5% fee on tickets sold?

No. Nonprofit 501(c) organizations, who do **not** receive Operating Support from GCAC, who are charging admissions to an event where the admissions proceeds exclusively benefit that nonprofit organization are exempt from the admissions fee requirements. Therefore, neither you nor they are required to collect and remit admission fees on tickets sold.

I am a for profit organization that is sharing revenue from an event with a nonprofit 501 (c) organization, am I required to collect the ticket fee on admissions to the event?

If no other exemptions apply (venue size or ticket price) then yes, you are required to collect the 5% fee on all admissions to the event. The same applies if only a portion of proceeds from the event benefits a nonprofit. However, the tax SHALL NOT be charged when ALL proceeds go to a nonprofit that does not receive Operating Support from GCAC, even if the producer is a for profit and no other exemptions apply.

I am a nonprofit organization that receives Operating Support from GCAC. I rent my facility to and/or sell tickets on behalf of a nonprofit (501c3) organization, who does not receive operating support from GCAC. Am I required to collect the admissions fee on tickets sold?

No. The ultimate beneficiary is not you (the Operating Support grantee) but rather the other entity. Nonprofit (501c3) organizations, who do **not** receive Operating Support from GCAC, who are charging admissions to an event where the admissions proceeds exclusively benefit that nonprofit organization are exempt from the admissions fee requirements, regardless of the size of the venue or price of the ticket. Therefore, neither you nor they are required to collect and remit admission fees on tickets sold.

What if I am an Operating Support recipient and rent my venue to for profit entities?

If you do not meet the other exemptions related to ticket price or capacity, then the entity renting from you would be responsible for remitting the tax to the City. Whomever sells the tickets and collects the money from sales is responsible for submitting the ticket fee proceeds to the city auditor. However, as a venue owner you could be held responsible and it is recommended that you include in your contract with anyone renting your space language which clearly outlines who will report and pay the tax, as well as include the auditor's office contact information for them to establish an account if they do not already have one. **If, however**, the space you are renting to them is 400 seats or under, or their tickets are \$10 or under, the standard exemptions will apply and the for-profit entity will not be required to collect the fee on tickets.

If my organization is located in Columbus but we produce some events outside the city boundaries, do we apply the ticket fee to those events too?

No, only events taking place within the city of Columbus are required to add the ticket fee.

Does our high school need to apply the fee to our football tickets or other events like theater performances?

No. K-12 schools and colleges are exempt from applying the ticket fee.

The NCAA tournament is having games in Columbus. Will I have to pay the 5% on tickets to these games?

Yes, tickets to NCAA tournaments held at Nationwide Arena and the Schottenstein Center will have the ticket fee applied to them.

Does the fee apply to greens fees at golf courses?

There are two golf courses in Columbus where the fee will apply to greens fees, Brookside Golf & Country Club and York Golf Club.

VENUES/TICKET SELLERS

How is my venue size determined?

Venue size is determined by the total of all occupancy permits issued by the city of Columbus for a specific address.

For example:

If your facility is made up of five separate spaces, each with their own occupancy permit, and the total is less than 400, your venue is exempt.

If my event is in a 500 seat venue but I only have 350 people attend does the fee apply?

Yes, if your ticket price is over \$10. Attendance is not a factor in determining the application of the fee.

I am a venue owner of a venue of more than 400 seats but other groups and promoters rent my space for events and concerts. Who is responsible for paying the ticket fee and the account with the auditor?

Whomever sells the tickets and collects the money from sales is responsible for submitting the ticket fee proceeds to the city auditor. However, as a venue owner you could be held responsible and it is recommended that you include in your contract with anyone renting your space language which clearly

outlines who will report and pay the tax, as well include as the auditor's office contact information so they may establish an account if they do not already have one.

I run my complimentary and free tickets that I donate to the community through my ticketing system, do I have to apply the fee to the actual value of those tickets?

No, if there is no charge for the ticket there is no fee applied.

I run an outdoor festival that charges more than \$10 per ticket, how do I know whether to apply the fee?

If the expected attendance indicated on your permit application to city of Columbus is over 400 people, and you are not a 501(c)* organization, the fee would apply. *Applies to all 501(c) designations.

MEMBERSHIPS, SUBSCRIPTIONS, SEASON TICKETS AND TICKET PACKAGES

The words membership, subscription, season tickets and ticket package are used interchangeably here to mean purchase of an annual or bundled package, which may include admission as a benefit. Not all memberships include admission as a benefit. Some giving levels might be referred to as membership but are actually a donation. We are only concerned with those that include admission(s)/entry.

My patrons can choose a payment plan when purchasing season tickets. If they purchase/pledge in writing to purchase their season tickets prior to July 1 but one or more of their payments fall after July 1, how do I accurately apply the fee to their purchase?

If the package is purchased/pledged prior to July 1, 2019 it is exempt from the fee, regardless of the dates of payments to complete the purchase.

I am an attraction. How do I apply the fee to annual memberships?

The ticket fee is applied to the number of guests the membership accommodates for one visit, NOT the full value of the membership which may include other benefits such as gift shop discounts or reciprocal access at other institutions.

For example:

If the total cost of the membership is \$125, your individual daily admission is \$18, and the membership is good for two people to enter at any time, you would apply the fee to \$36 of the membership.

Our membership packages do not define a number of guests. How do I factor the ticket fee?

For memberships that do not define number of guests admitted, the taxable value of the membership is the lesser of:

- a) The daily admission rate multiplied by two visitors, or
- b) The total cost of the membership.

The "visitors" should follow the structure of the membership. For example:

- If it is a family membership, then account for one adult and one child
- If it is a membership for children only, then account for two children
- If it is a membership for adults only, then account for two adults

If you have questions on membership, please contact the auditor's office: 614/645-7370 or tax@columbus.gov.

I am a for-profit attraction that sells packages for birthdays, group outings etc. that often include other products and services such as birthday cake, etc. How do I apply the fee to these packages?

The fee should be applied only to the base price of the number of tickets included in the package.

My event has multiple ticket levels, some of which include drink and food tickets. Do I have to apply the 5% to the entire cost of each ticket?

No, the 5% fee should be applied only to the base ticket price. If standard admission is, for example \$15 but you also have a \$25 ticket that included 2 food tickets and 2 drink tickets, the 5% would still only be charged on \$15 of that \$25 ticket.

I am a gym owner. Do I have to apply the fee to memberships?

No, service based entities like gyms, shopping clubs, workshops, camps, etc. do not have to apply the fee. The key test is: is a ticket required for entry or admission?

I am a concert promoter/sports team owner who sells season tickets/subscriptions. How do I apply the tax to my annual subscriptions?

The fee is applied to the total price of the season ticket or subscription package, NOT the fair market value of the tickets if they were sold individually.

My event is a "pay what you can" ticket price. Do we need to apply the ticket fee?

The fee applies to pre-set ticket prices. If you offer pay what you can at the door but also presale tickets (for reserved seats for example) for an amount over \$10 and you are not an exempt organization you must apply the fee to the tickets with the set sale price and any tickets sold for over \$10 at the door.

I use a third party ticketing platform (such as EventBrite, Brown Bag, etc.) how do I apply the fee on these platforms?

Each platform is different.

If your ticket platform does not provide a way to add fees other than the service fee the platform charges then you must increase the base price of the ticket to collect the fee from the consumer (ie: A \$15 ticket becomes \$15.75) We request that you include the following language in event descriptions and other public materials:

"Included in this total ticket price is a 5% arts & culture fee on the base ticket as required by the City of Columbus. The Columbus Arts & Culture Fee helps make the arts available to all by funding exemplary artists, arts organizations and programs that educate and engage audiences throughout Greater Columbus."

Some platforms, such as EventBrite provide a way to acknowledge the addition of a sales tax percentage. Since there is no sales tax on admissions and tickets in Franklin County this is the field you would use to add the 5% fee so that it is properly acknowledged by the platform. You must still add the cost to the base ticket price and select include, or you will be charging the consumer more than 5% because it is calculated AFTER other fees are added.

The below article shows you where to change the title from Sales Tax to "Arts & Culture fee."

https://www.eventbrite.com/support/articles/en_US/How_To/how-to-charge-sales-tax-on-tickets?lg=en_US

See screen shots below for the correct selections on this screen (#1) and how it presents to the buyer (#2).

Screenshot #1:

Tax Options

Do you need to charge tax for this event? ⓘ

Yes No

Country: *

United States ▼

Tax Name: *

Arts and Culture Fee

This is what your attendees will see the tax listed as on their tickets.

Tax Rate: *

5 %

Tax ID: *

|

Enter your Sales Tax Registration ID without any spaces or dashes.

Add or include:

- Add tax on top of the total price (ticket price, ticket fees plus any other charges your attendees pay)
- Include tax in the total price (ticket price, ticket fees plus any other charges your attendees pay)

Apply this rate to:

- All ticket types - [Show all](#)

Screenshot #2:

Order Summary				
TICKET TYPE	PRICE *	FEE *	QUANTITY	SUBTOTAL
early bird	\$15.75	\$1.38	1	\$17.13
			Order total:	\$17.13
* Prices include Arts and Culture Fee				

Because we also do cash sales at the door, can we adjust our ticket prices so that the total including the 5% ticket fee equates to a whole number?

Yes, but we insist that you include the following language in all public materials:

Included in this total ticket price is a 5% arts and culture fee on the base ticket as required by the City of Columbus. This fee supports exemplary artists, arts and cultural organizations and programs that educate and engage audiences of all ages throughout greater Columbus.

If you have questions not addressed in this document, please contact the auditor's office: 614/645-7370 or tax@columbus.gov.