

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 29, 2005
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: BUDGET MEMO # 17 : ADMISSIONS TAX

This is to transmit the Budget and Fiscal Affairs Advisory Committee (BFAAC) report on the admissions tax, respond to Councilman Gaines' question whether the Virginia General Assembly have given any jurisdictions the authority to exempt non-profit entities, and respond to Councilman Krupicka's question from the March 15, 2005 work session about the administrative burden of paying the admissions tax.

During the FY 2005 budget process, the City Manager recommended that BFAAC study the possibility of implementing an admissions tax for FY 2006 as a way to diversify the City's tax base. An admissions tax is authorized in the State code and levied in other Virginia jurisdictions but has not been enacted in Alexandria. A copy of the City Manager's study recommendation (FY 2005 Budget Memo #6) is attached.

The attached BFAAC report recommends implementation of a tax of 10 percent of the gross admissions price not to exceed \$0.50 per admission, with the portion of revenue raised from non-exempt non-profit events to be used to supplement funding for the Alexandria Commission for the Arts, the Community Partnership Fund, the Children's Fund and the Youth Fund. City staff concurs with BFAAC's analysis and recommendation and offers the following additional comments.

- Although it is difficult to estimate, City staff project an admissions tax of 10 percent of the gross admissions price not to exceed \$0.50 per admission would generate approximately \$1.3 million in annual revenue for the General Fund after providing additional funds to the Alexandria Commission for the Arts, the Community Partnership Fund, the Children's Fund and the Youth Fund.
• The admissions tax would apply to movies, live performances and concerts, non-school sporting events and speaking engagements to which an admission fee is charged. It would not apply to school-sponsored events, museums, participation in sporting events, or events not open to the general public.

- Some, but not all, non-profit events would be exempt from the admissions tax. All events in which the net proceeds go to charitable purposes would be exempt from the admissions tax as long as the beneficiary charitable organization is exempt from the State sales and use tax. However, events in which the net proceeds go to a non-profit entity that is not exempt from the State sales and use tax would not be exempt from the admissions tax. All events held for profit would be subject to the admissions tax.

In FY 2005 Budget Memo #6, staff reported that only events from which the gross receipts go to charity could be exempt from the admissions tax. The City Attorney has since reviewed the State code and interpreted that events from which the net receipts go to such entities could be exempt. The following table illustrates examples of the types of events that would be affected by the admissions tax.

Type of Event	Admissions Tax Impact
Gross proceeds go to charitable purposes.	Exempt from the admissions tax.
Net proceeds after paying event expenses go to a charitable non-profit that is exempt from the State sales and use tax.	Exempt from the admissions tax.
Gross or net proceeds go to a non-profit entity that is not exempt from the State sales and use tax.	Admissions tax applies. These additional tax revenues would go to the Commission for the Arts, the Community Partnership Fund, the Children's Fund and/or the Youth Fund.
Proceeds (net or gross) go to profit (movies, live theater, concerts).	Admissions tax applies. Revenues would go to the General Fund.

BFAAC recommends and staff agrees that the revenue generated from taxable non-profit events should be dedicated to the Alexandria Commission for the Arts, the Community Partnership Fund, the Children's Fund and the Youth Fund as a way of returning the funds to the community.

- The administrative impact of reporting and remitting the tax would be minimal and every effort would be taken to make record keeping and reporting easy. Entities would be required to fill out a reporting form indicating the number of admissions to an event and the amount of tax owed at 10 percent or \$0.50 per admission, whichever is the least. Entities that hold infrequent taxable events would be required to submit the reporting form and taxes to Finance within a month of the event. Business that hold regular events, such as movie theaters, would be required to report and remit taxes on a monthly basis.
- The City should continue to advocate for State legislative revisions to allow for greater flexibility in administering the admissions tax.

Attachments

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 15, 2004
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: PHILIP SUNDERLAND, CITY MANAGER
SUBJECT: BUDGET MEMO #6: ADMISSIONS TAX STUDY

ISSUE: Admissions Tax Study for FY 2006

RECOMMENDATION: That City Council review this report in preparation for the budget work session scheduled for March 16.

DISCUSSION: During the preparation of the FY 2005 Proposed Budget, staff studied the possible establishment of an admissions tax to diversify the City's revenue sources. If state law permitted levying an admissions tax only on movie theaters, an "up to" 50 cent per ticket tax would generate an estimated \$1.1 million to \$1.4 million per year. However, state law currently requires that an admissions tax be levied on any profit and non-profit theater and entertainment events where an admission is charged, as well as charitable fund raisers where 100 percent of gross receipts do not go to charity (such as most fund raising dinners.)

With these state law requirements and the potential impact on non-movie activities, it is recommended that the Budget and Fiscal Affairs Advisory Committee be asked to study for FY 2006: (1) if an admissions tax should be implemented; (2) what its rate structure should be; (3) the proportion of admissions tax revenue that would be derived from the non-movie sector and how the revenue could be returned to that sector (e.g., by increasing City funding of the Community Partnership and other funds, and/or by increasing support and promotion of the arts); and (4) what changes to the state code should the City pursue in the 2005 session of the General Assembly.

Attachment: Code of Virginia section 58.1-3817

**Law Review.** — For article, "Virginia Tax Laws Affecting Churches," see 18 U. Rich. L. Rev. 301 (1984).

**§ 58.1-3816.1. Discount for collection of taxes.** — Any county, city or town which requires local businesses, or any class thereof, to collect, account for and remit to such locality a local tax imposed on the consumer, may allow such businesses a commission for such service in the form of a deduction from the tax remitted. Such commission shall be provided for by ordinance, which shall set the rate thereof, not to exceed five percent of the amount of tax due and accounted for. No deduction shall be allowed if the amount due was delinquent. (Code 1950, § 58-851.5:1; 1984, c. 168.)

**Editor's note.** — This section, which was enacted by Acts 1984, c. 168, has been incorporated as part of Title 58.1, pursuant to § 9-77.11 and Acts 1984, c. 675, cl. 5. The number of this section was assigned by the Virginia Code Commission.

#### ARTICLE 5.

#### *Admission Tax.*

**§ 58.1-3817. Classification of events to which admission is charged.** — In accordance with the provisions of Article X, Section 1 of the Constitution of Virginia, events to which admission is charged shall be divided into the following classes for the purposes of taxation:

1. Admissions charged for attendance at any event, the gross receipts of which go wholly to charitable purpose or purposes.
2. Admissions charged for attendance at public and private elementary, secondary, and college school-sponsored events, including events sponsored by school-recognized student organizations.
3. Admissions charged for entry into museums, botanical or similar gardens, and zoos.
4. Admissions charged to participants in order to participate in sporting events.
5. Admissions charged for entry into major league baseball games and events at any major league baseball stadium which has seating for at least 40,000 persons.
6. All other admissions. (Code 1950, § 58-404.1; 1950, p. 635; 1971, Ex. Sess., c. 1; 1984, c. 675; 1989, c. 291; 1997, c. 287.)

Nothing in this section prohibits a city from imposing a tax on admissions of either class or both classes or from imposing different rates on the different classes. *City of Portsmouth v. Portsmouth Catholic Elementary School P.T.A.*, 217 Va. 199, 227 S.E.2d 691 (1976) (decided under prior law).

This is a classification statute which permits the taxing authority to treat each of two classes of admissions separately "for purpose of taxation." *City of Portsmouth v. Portsmouth Catholic Elementary School P.T.A.*, 217 Va. 199, 227 S.E.2d 691 (1976) (decided under prior law).

**§ 58.1-3818. (Contingent expiration date — See note) Admissions tax in certain counties.** — A. Fairfax, Arlington, Dinwiddie, Prince George and Brunswick Counties are hereby authorized to levy a tax on admissions charged for attendance at any event. The tax shall not exceed ten percent of the amount of charge for admission to any such event. Notwithstanding any other provisions of law, the governing bodies of such counties shall prescribe by ordinance the terms, conditions and amount of such tax and may classify between events conducted for charitable and those conducted for noncharitable purposes.

**City of Alexandria  
Budget and Fiscal Affairs Advisory Committee**

**REPORT ON ADMISSIONS TAX**

**March 29, 2005**

Lisa Chimento, Chair  
Dennis Auld  
James Butler  
Mark Feldheim  
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## BFAAC ADMISSION TAX STUDY

### SUMMARY

In a Memorandum dated March 15, 2004 the City Manager recommended that the Budget and Fiscal Affairs Advisory Committee (BFAAC) study the benefits and potential impacts of the imposition of an Admission Tax in preparation for the FY 2006 budget process—more specifically, whether or not the City should implement an Admission Tax; what the rate structure should be; what to do with the revenue derived from the non-movie sector; and whether or not to pursue additional legislative changes to the State Code. City Council concurred with the Manager’s study recommendation.

After a detailed review of the current legislative authority and an analysis of the experiences of other jurisdictions that have imposed such a tax, BFAAC recommends the following:

- (1) The City of Alexandria should implement a local Admission Tax.
- (2) The Admission Tax rate should equal 10 percent of the gross admission price, not to exceed \$ .50 per admission.
- (3) City Council should use a portion of the annual revenues to increase funding for the Alexandria Commission for the Arts, the Community Partnership Fund, the Children’s Fund and the Youth Fund. Said amount should equal at least 100 percent of the Admission Tax revenues derived from non-profit entities and be in addition to whatever sum is allocated to these four funds as part of the City’s annual budget process.<sup>1</sup>
- (4) The City should continue to pursue legislative changes to the State Code to give the City more flexibility in terms of what types of events and venues it may tax. It should be noted, however, that no legislative changes are necessary to implement the proposed recommendations.

### BACKGROUND

In its most basic form, an Admission Tax, also referred to as an Amusement or Entertainment Tax, is a tax imposed on admission to events such as sports, arts performances, fairs and festivals, lectures and readings, entertainment shows and movies. Under Virginia law, non-profit organizations are *not* exempt from collecting this tax (since the tax is paid by the individual purchasing the ticket, not the organization). Admission taxes are levied by cities in at least 19 states, and by counties in at least five states. In most of the jurisdictions, the receipts become part of the municipality’s general treasury revenues; others use the tax as a dedicated funding source for the arts.<sup>2</sup>

<sup>1</sup> FY 2005 Approved Budget included \$209,937 for the Arts Commission, \$862,775 for the Community Partnership Fund, \$292,226 for the Youth Fund and \$1,053,814 for the Children’s Fund.

<sup>2</sup> M. Dodson, Amusement Tax for the Arts (Arts Council Monograph)

In Virginia, the Admission Tax is collected by seventeen cities, four counties and one town. The authority to levy such a tax is part of the general taxing powers of the City's Charter, but is restricted by the event classifications defined in Code of Virginia §58.1-3817:

1. Admissions charged for attendance at any event, the *gross* receipts of which go wholly to charitable purpose or purposes.
2. Admissions charged for attendance at public and private elementary, secondary, and college school-sponsored events, including events sponsored by school-recognized student organizations.
3. Admissions charged for entry into museums, botanical or similar gardens, and zoos.
4. Admissions charged to participants in order to participate in sporting events.
5. Admissions charged for entry into major league baseball games and events at any major league baseball stadium which has seating for at least 40,000 persons.
6. All other admissions.

Localities may choose to tax each of these six categories at the same, or at different tax rates. If the City does decide to establish an Admission Tax, BFAAC recommends imposing a tax on only the last ("other admissions") category.

The City initially considered an Admission Tax as part of its FY 1999 Proposed Budget, but Council tabled the ordinance to establish such a tax on May 6, 1998 pending further clarification on how the tax would be applied, including consideration of an exemption for non-profit organizations. As part of its 1999 General Assembly legislative package, the City supported legislation that would have exempted non-profits from the Admission Tax.

No action was taken on that initiative, but since then the General Assembly has passed legislation (§58.1-3818) that allows localities (by ordinance) to exempt events from the admission tax provided that the purpose of the event is solely to raise money for charitable purposes and that the *net* (rather than *gross*) proceeds derived from the event will be transferred to an entity that is exempt from sales and use tax (§58.1-609.11). *This would have the effect of exempting many (but not all) non-profit events from the Admission Tax.*

The City again considered a five-percent Admission Tax as part of its FY 2000 Proposed Budget. Once again the proposal was not approved, this time because of the desire to target the tax to movie theaters, which could only be done by amending state legislation.

The City's Legislative Package for the 2005 General Assembly Session included a proposal to amend the Code of Virginia to create a separate category – movie theater admissions – for which a locality may charge an Admission Tax.<sup>3</sup> The City included a similar proposal in its Legislative Package for the 2003 and 2004 General Assembly Sessions. The legislation has failed each time, and the City's Legislative Director has

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<sup>3</sup> October 20, 2004 City Manager Memo to Council

indicated that in the foreseeable future similar legislation would continue to fail. In fact, in the 2005 Session, none of the bills involving admission taxes (HB 108, HB 2494, and SB 1101) were approved by either the House of Delegates or the Senate.

### **FISCAL IMPACT**

Unlike Richmond, Virginia Beach, Hampton, Newport News, Roanoke, and other jurisdictions within the Commonwealth that have sports stadiums, race tracks, convention centers, museums, aquariums, zoos etc., Alexandria's primary entertainment venues are limited to a number of live theatres and three motion picture theatres.<sup>4</sup> According to City Staff, these venues have combined gross receipts of over \$20 million per year.

The fiscal impact of an Admission Tax on the motion picture theaters alone is quite substantial. In 1999, the City estimated that a five-percent Admission Tax (with no cap) on the 3,600-seat Hoyt Cinema complex at Potomac Yard would generate at least \$418,000 annually.<sup>5</sup> Since that time the AMC Hoffman 22 Theatre has opened (2001). This 4,150-seat theatre has consistently been ranked the number one theatre in the Washington, DC area, and is among the top 50 best-performing theatres in the United States.<sup>6</sup>

The City estimates that a ten percent Admission Tax (with a fifty-cent cap) on these two movie theaters would now generate \$1.1 million to \$1.4 million per year.

In addition, there would be revenue from numerous smaller venues and events such as Little Theater, The Birchmere, Metro Stage and the Alexandria Symphony. In FY2000, the City estimated \$1.6 million in gross taxable admission charges from other entertainment venues, which would result in up to \$160,000 in additional Admission Tax revenue.

### **EXPERIENCE OF OTHER JURISDICTIONS**

Within the Commonwealth of Virginia, seventeen cities, four counties and one town currently report levying an Admissions Tax.<sup>7</sup> The amount collected ranges from \$150 (in the Town of Vinton) to \$4.4 million (in the City of Norfolk). Over the past ten years, the annual revenue from Admission Taxes collected statewide has more than doubled, from \$7.3 million to \$14.8 million. For more details, see Appendix One.

<sup>4</sup> Live theatre venues include "for profits" and "non-profit" organizations. The redevelopment of Landmark Mall may also include an additional motion picture theater.

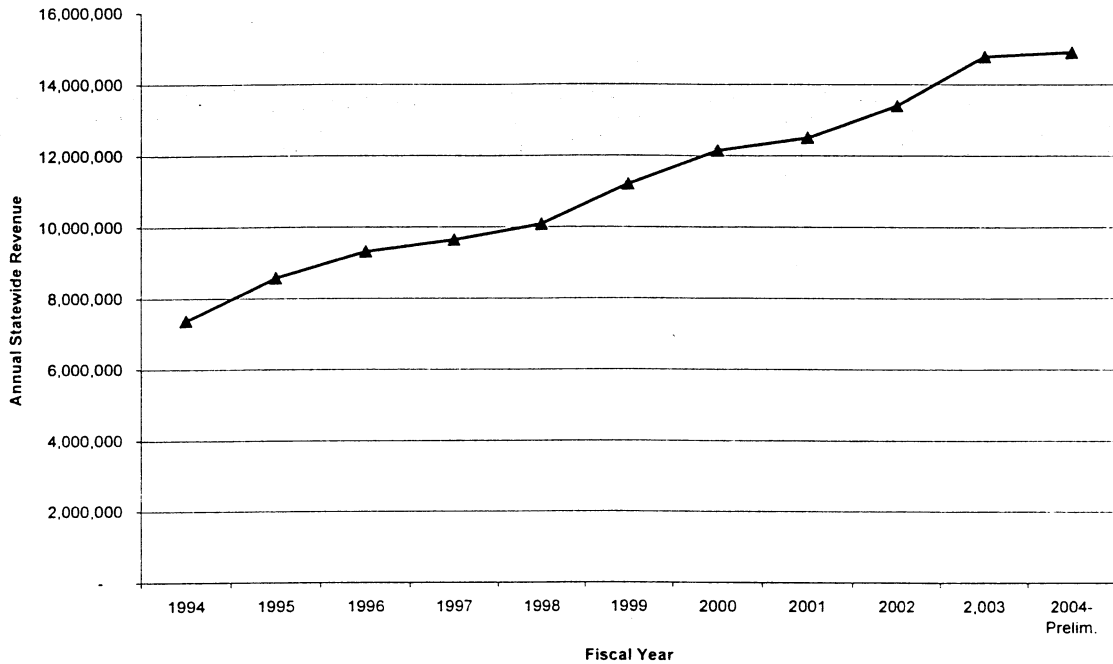
<sup>5</sup> Budget Memo #2, March 16, 1999

<sup>6</sup> Entertainment Properties Trust, [www.eprkc.com](http://www.eprkc.com)

<sup>7</sup> Weldon Cooper Center for Public Service (University of Virginia) 2004 Annual Survey



Admission Tax by Fiscal Year



It is useful to look at the experiences of other jurisdictions within Virginia, as well as nationwide, to learn how they go about collecting the tax, and how they use the revenues. While Fairfax and Arlington Counties have been granted the authority to collect an Admission Tax, they have not implemented such a tax.

**Richmond.** According to Richmond’s Finance Department, an Admission Tax has been operative in excess of 40 years. Currently there is a seven-percent tax on any charge for admission to any place of amusement or entertainment where the fee is greater than \$.50 per admission.<sup>8</sup> Current annual revenues are estimated at \$1.8 million. Although revenues are not specifically earmarked for the arts, a recent increase in the meals tax to six percent with one percent dedicated to the Arts Council has met with some opposition from the arts community.

**Lynchburg.** Lynchburg’s taxing authority is contained in its City Charter and recently increased its Amusement Tax from five percent to seven percent. Lynchburg reports that current annual revenues are estimated at \$262,000 and no revenues are specifically earmarked for arts or City sponsored events.

**Virginia Beach.** The City of Virginia Beach imposes a ten-percent Admission Tax on all six classes of admissions listed in the Code of Virginia, §58.1-3817.<sup>9</sup> Annual revenues are estimated at \$4.23 million. According to the April 28, 2004 *Virginia Pilot*, the

<sup>8</sup> Code of the City of Richmond, § 98-401 to § 98-412

<sup>9</sup> Virginia Beach City Code §§ 35-181 and 35-182

Virginia Beach Arts Commission receives funding of \$1 per resident, or \$428,000 last year. In turn, the Commission funds about 320 performances and programs, and, as a result, about half their funding is returned to the City via revenue from the admission tax and venue rentals.

**Roanoke.** The City of Roanoke imposes a nine-percent tax on events at City facilities, like the Roanoke Civic Center, and a 5.5% tax on events at other venues (the State Code has been clarified to permit localities to establish different tax rates on events held at City-owned facilities vs. events held at other venues). It exempts taxes on admission charges of less than ten cents. Annual revenues are estimated at \$530,000. These funds go into the general revenue, however, the Arts Commission in Roanoke was seeking dedicated funding equal to a one-half cent City Admission Tax.

**Chesapeake.** Although their Charter is similar to ours, the City of Chesapeake's ten-percent Admission Tax exempts "schools, charitable or nonprofit organizations." As written, this would appear to be in contradiction to what is permitted by State law. Annual revenues are estimated at \$573,000.

**State of Maryland.** Maryland has an Amusement and Entertainment tax in 23 counties and Baltimore City. Tax rates range from .5 percent to ten percent. Revenues from this tax increased by 42 percent between March, 2003 and March, 2004. Montgomery County imposes a seven percent tax; its annual revenues in FY 2003 were \$4.8 million. Prince George's County imposes a ten percent tax; its annual revenues in FY 2003 were \$12.3 million.

**Chicago, Illinois.** In Chicago, an Amusement Tax has been levied for "decades" on professional sporting events, bowling, miniature golf, movies, commercial movie attractions and pay television, including cable. All nonprofit arts organizations, however, are exempt from the tax with the exception of professional live theatre with seating capacity over 750. Revenues from the tax, currently seven percent, are not specifically earmarked for the arts.

**Portland, Oregon.** Portland, OR levies a "user fee" for tickets sold to events at publicly-owned arts and convention facilities. The tax is neither a fixed percentage of the ticket price, nor a flat per-ticket amount. Instead, it is 50 cents, \$1.00 or \$1.50, depending upon the price of a ticket. This complicated sliding scale has made collecting the tax more difficult.

**Seattle, Washington.** Seattle, WA imposes a five percent Admissions Tax, however, a number of exemptions (e.g., nonprofit arts, museums etc.) have been introduced over the past 65 years. In 2001, 20 percent of all eligible Admission Tax revenue was dedicated to the Office of Arts and Cultural Affairs. This dedicated funding source was suspended in 2003 and 2004, however, the Mayor has proposed reinstating the funding source in 2005 (at 15 percent) and 2006 (back to 20 percent).

**Kent, Washington.** The City of Kent exempts 501c organizations from collecting the tax as well as schools, and federal, state and local government organizations. The tax rate is five percent. The tax is due quarterly.

**Santa Cruz, California.** The Admission Tax is designed to raise revenues from admission and registration charges at recreational events and activities including non-profit organizations and political fundraising activities. The tax rate is five percent; annual revenues are around \$1.54 million. Ongoing operations pay the tax monthly. One-time (or infrequent) operations must apply for an admission tax operator's license prior to the event and pay an advance deposit based on attendance estimates. They must follow up within ten days of the event with actual figures, and pay any balance due (or apply for a refund, if they overpaid when requesting the license).

### **PROPOSED RATE STRUCTURE**

Based on the experiences of these other jurisdictions, it is important (for compliance) that Alexandria keep its collection guidelines clear and well-defined, especially with regard to one-time and infrequent operations. Furthermore, the City must keep its rate structure simple.

State law permits a tax not to exceed ten percent; the median rate in Virginia is seven percent. BFAAC proposes a ten-percent Admissions Tax, not to exceed \$ .50 per admission. This rate is intended to strike a balance—the tax should be low enough not to inhibit City efforts to promote tourism, cultural events and entertainment venues in Alexandria, but large enough to make the tax worthwhile.

As proposed, the tax is minimal, easy to calculate, and could be designed so as not impose an unreasonable burden or restriction on the taxpayer. For example, the City could consider the approach taken in Richmond where the tax is due on the 20<sup>th</sup> of the month following the month it is collected from the consumer and is reported on the same form along with Lodging, Meals and Alcoholic Beverages. No increased administrative costs have been incurred.<sup>10</sup> See Appendix Two for a sample of Richmond's Admission Tax collection form; a similar, simple form could be designed for use by organizations with infrequent admission tax collections.

### **TREATMENT OF REVENUES DERIVED FROM NON-PROFIT SECTOR**

As previously noted, many non-profit events would be exempt from the Admission Tax. BFAAC recommends, however, that Admission Tax revenues reported by non-exempt non-profit events be used to increase the budgets of four City funds at a rate greater than 100 percent of the revenues reported by these non-profits. These funds are: (1) the Alexandria Commission for the Arts; (2) the Community Partnership Fund; (3) the

<sup>10</sup> Richmond Office of Finance, Kevin Irvin (804) 646-6452

Children's Fund and (4) the Youth Fund.<sup>11</sup> Said revenues would be in addition to whatever money these funds receive as part of the City's annual budget process.

The greater-than 100 percent "return rate" would help compensate the non-profit community for the administrative costs of collecting the tax and guarantee that some of the revenue derived from the for-profit sector (like movie admissions) would be going toward arts and human services funding. Furthermore, it would allow the City to demonstrate a greater commitment to the arts and human services through the budget process.

## **CONSIDERATIONS**

An Admission Tax offers the following advantages (and a few cautions):

### **Advantages**

1. It broadens the tax base. The implementation of an Admission Tax is consistent with BFAAC's repeated observation and recommendation that the City must explore a variety of means to diversify its revenue sources and reduce its reliance on the real property tax base.
2. It is a local option tax, as a result, all revenue would be returned directly to Alexandria.
3. There is good prospect for future growth as additional theaters open in Alexandria (for example, at Landmark).
4. A majority of the tax revenues would likely be paid by Alexandria visitors as opposed to City residents. This "imports" taxes and shifts a portion of the tax burden away from City residents.
5. At the recommended rate, it would allow Council to reduce the real property tax rate by approximately an additional half-cent.
6. It is a fairly progressive tax since spending for entertainment generally increases as income rises.
7. It taxes discretionary spending, unlike the real property tax.

### **Cautions**

1. The Chamber of Commerce opposes an Admission Tax and instead "supports a broad-based tax system and user fees for financing city priorities."

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<sup>11</sup> The Commission for the Arts supports the development and expansion of the arts in Alexandria and serves as the single funding source for all activities concerning the arts which are not conducted as part of a regularly scheduled City program. The Community Partnership Fund helps support human services priorities for adults age 22 and over as well as for anyone in need (regardless of age). The Youth Fund promotes youth development and serves youth ages 6 –21. And the Children's Fund serves children under age six (including prenatal).

2. Some people worry that arts patrons are price sensitive, and the extra tax might reduce attendance.
3. The emphasis on movie theaters means the tax has the greatest impact on the “most affordable” form of entertainment, thus impacting lower income families.
4. There is potential for instability, since revenues can fluctuate with general economic conditions and changes in discretionary spending.
5. There is a potential loss of business to arts and entertainment venues in neighboring jurisdictions such as Arlington and Fairfax.
6. The vast majority of the revenue will be generated by movie theaters. The National Theater Owners Association has fought the tax in other jurisdictions.

### CONCLUSIONS

Taking into account the foregoing information, BFAAC concludes that, on balance, it would be fiscally prudent for the Alexandria City Council to create an Admission Tax and endorses the proposal as described above. As proposed, the Admission Tax does not require changes to the State Code, it does not impose a significant adverse fiscal impact on the taxpayer or the consumer, it exempts many non-profit events, it could be designed in a way that is easy to calculate and administer, and it will ultimately benefit the arts community as well as human services agencies through additional funding of the Arts Commission, the Community Partnership Fund, the Children’s Fund and the Youth Fund.

Appendix One-Admission Tax by Fiscal Year												
Prepared by the Business and Economics Division of the University of Virginia's Weldon Cooper Center for Public Service.												
Original source: Commonwealth of Virginia, Auditor of Public Accounts, Comparative Report of Local Government Revenues and Expenditures.												
Locality	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004-Prelim.	% Change
<b>Cities</b>												
Chesapeake	326,069	343,632	607,180	783,831	698,200	913,142	805,960	640,624	527,383	574,769	572,745	75.7%
Falls Church	28,150	28,007	25,749	26,464	25,490	27,677	31,351	28,202	21,213	22,474	16,805	-40.3%
Fredericksburg	67,287	82,650	76,510	95,380	110,247	105,178	98,865	129,782	136,175	173,747	168,775	150.8%
Galax	17,115	13,075	20,575	16,497	28,222	17,922	18,895	19,568	21,716	24,052	18,652	9.0%
Hampton	378,236	451,554	388,473	310,851	301,936	679,111	786,206	987,090	1,092,257	1,141,045	1,220,600	222.7%
Harrisonburg	---	---	---	---	---	98,481	143,093	155,934	154,373	167,925	178,760	81.5%
Lynchburg	237,020	248,717	245,799	269,799	275,240	268,707	279,964	257,513	285,755	311,639	261,647	10.4%
Newport News	594,960	654,933	702,034	672,707	635,653	374,627	358,844	514,713	580,204	564,602	577,777	-2.9%
Norfolk	2,006,332	2,523,469	2,713,856	2,318,105	2,563,382	3,049,959	3,592,937	3,648,739	3,949,356	4,546,081	4,382,128	118.4%
Petersburg	39,474	20,953	19,221	27,398	14,123	34,726	29,331	34,903	24,989	23,378	15,878	-59.8%
Portsmouth	145,597	163,755	201,913	164,143	168,734	108,847	122,208	113,627	304,650	496,192	274,012	88.2%
Richmond	899,826	1,034,565	1,204,906	1,147,193	1,118,259	1,306,473	1,466,535	1,423,044	1,391,847	1,465,338	1,804,701	100.6%
Roanoke	204,081	225,242	228,662	262,018	278,081	256,072	242,194	355,570	400,210	504,298	530,712	160.0%
Salem	167,498	129,394	175,040	205,541	171,303	178,836	186,499	150,051	188,135	133,762	not yet reptd	-20.1%
Suffolk	---	---	---	---	---	---	---	127,041	293,405	351,413	386,899	204.5%
Virginia Beach	2,091,565	2,440,367	2,497,882	3,138,769	3,503,967	3,528,703	3,702,447	3,676,492	3,776,576	4,024,520	4,228,092	102.1%
Winchester	89,066	87,645	86,493	95,327	100,388	81,624	73,952	91,851	97,052	100,866	110,547	24.1%
<b>City total</b>	<b>7,292,276</b>	<b>8,447,958</b>	<b>9,194,293</b>	<b>9,534,023</b>	<b>9,993,225</b>	<b>11,030,085</b>	<b>11,939,281</b>	<b>12,354,744</b>	<b>13,245,296</b>	<b>14,626,101</b>	<b>14,748,730</b>	<b>102.3%</b>
<b>Counties</b>												
Dinwiddie	23,876	54,471	48,470	54,637	51,395	46,255	45,740	27,115	29,715	32,129	39,794	66.7%
Lee	1,473	-	1,665	1,601	1,394	1,216	1,472	845	1,396	1,398	5,277	-5.1%
New Kent	---	---	---	---	---	---	---	0	3,919	4,480	5,277	34.7%
Prince George	---	---	---	---	---	---	---	0	6,292	---	---	---
Roanoke	54,369	69,404	60,757	47,752	31,217	125,810	151,377	114,556	104,884	110,493	99,645	83.3%
<b>County totals</b>	<b>79,718</b>	<b>123,875</b>	<b>110,892</b>	<b>103,990</b>	<b>84,006</b>	<b>173,281</b>	<b>198,589</b>	<b>142,516</b>	<b>146,206</b>	<b>148,500</b>	<b>144,716</b>	<b>81.5%</b>
<b>Selected towns</b>												
Rocky Mount	555	382	1,048	695	---	---	0	0	0	---	---	---
Vinton	1,021	1,179	748	946	845	196	223	1,137	292	507	153	-85.0%
<b>Selected towns total</b>	<b>1,576</b>	<b>1,561</b>	<b>1,796</b>	<b>1,641</b>	<b>845</b>	<b>196</b>	<b>223</b>	<b>1,137</b>	<b>292</b>	<b>507</b>	<b>153</b>	<b>-90.3%</b>
<b>Grand total</b>	<b>7,373,570</b>	<b>8,573,394</b>	<b>9,306,981</b>	<b>9,639,654</b>	<b>10,078,076</b>	<b>11,203,562</b>	<b>12,138,093</b>	<b>12,498,397</b>	<b>13,391,794</b>	<b>14,775,108</b>	<b>14,893,599</b>	<b>102.0%</b>

FAILURE TO REMIT THESE TAXES MAY RESULT IN FELONY PROSECUTION FOR EMBEZZLEMENT

<b>YEAR</b>	<b>ACCOUNT NUMBER</b>
2001	- -

**CITY OF RICHMOND**  
 ADMISSIONS, LODGING, MEALS TAX  
 CITY HALL, ROOM 102  
 P O. BOX 26505, RICHMOND, VA 23261-6505  
 PHONE: (804) 646-5690

**FOR INSTRUCTIONS CLICK HERE**

**ADMISSIONS, LODGING, MEALS TAX**

Verify all applicable Boxes 'X'd	ADMISSIONS TAX	MONTH	TOTAL ADMISSIONS	RATE	TAX
	<input type="checkbox"/>				0 x 7 % =
<input type="checkbox"/>	LODGING TAX	MONTH	RENTALS FOR MONTH	RATE	TAX
				0 x 8 % =	0.00
<input type="checkbox"/>	MEALS & ALCOHOLIC BEVERAGES TAX	MONTH	SALES	RATE	TAX
				0 x 6 % =	0.00
<b>TOTAL</b>					<b>0.00</b>
<b>PENALTY</b>					<b>0</b>
<b>INTEREST</b>					<b>0</b>
<b>TOTAL</b>					<b>0.00</b>

\* PENALTY FOR LATE PAYMENT AFTER 20TH OF FOLLOWING MONTH.  
 IF TAX IS \$0.00 - \$10.00, PENALTY IS SAME AS TAX.  
 IF Tax is \$10.01 - \$100.00 PENALTY is \$10.00  
 IF TAX IS OVER \$100.00 PENALTY IS 10% OF TAX.  
 ADD INTEREST - 10% PER ANNUM FROM 21 ST TO DATE OF PAYMENT.  
 IF PAYING IN PERSON, PRINT AND BRING TWO COPIES OF THIS FORM. IF PAYING BY MAIL, SEND A PRINTED COPY WITH CHECK AND KEEP A SECOND COPY

AUTHORIZED SIGNATURE MEANS THE SIGNATURE OF THE COLLECTOR AND REMITTER OF TAX.

X \_\_\_\_\_ / / \_\_\_\_\_  
 AUTHORIZED SIGNATURE DATE PHONE

**Appendix Three**

Statement of Dissent from BFAAC Members Dennis Auld and Margaret Gullen

We oppose an Admission Tax. While supporting a broad-based tax system and user fees for financing city priorities, a tax on admissions unfairly singles out one industry for taxation, placing an unfair burden on entertainment businesses that operate in the City. As adjacent jurisdictions do not have this tax, the City faces the possibility of losing not only revenues generated by visitors, but in Alexandrians deciding to attend venues outside of Alexandria. In addition, compliance would be difficult for the City to administer, as well as the process of returning a portion of these tax revenues to designated non-profits. This may also create problems in deciding who gets returns, who doesn't.

The tax also appears to be a "regressive tax" as it targets those venues which provide entertainment affordable by, and attractive to Alexandria's lowest income citizens. The hope of visitors supplying a "majority" of the tax receipts has not been verified by facts.

We strongly encourage the City to set goals to help plan for tax revenue diversification and expansion, as opposed to an ad hoc approach to identifying potential tax sources. We believe in growing the tax base, not in shifting revenues from the same payers. This will allow all parties involved in the taxation process to cooperatively produce effective tax/growth planning, and eliminate unfair targeting.