COMMITTEE REPORT

May 15, 2014

**S. 474**

Introduced by Senator Setzler

S. Printed 5/15/14--H.

Read the first time June 6, 2013.

**THE COMMITTEE ON WAYS AND MEANS**

To whom was referred a Bill (S. 474) to amend Section 12‑21‑2420, as amended, Code of Laws of South Carolina, 1976, relating to exemptions from the admissions license tax, so as to exempt, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

W. BRIAN WHITE for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**REVENUE IMPACT 1/**

This bill is expected to decrease general fund revenue by $50,000 in FY 2014-15.

**Explanation of Updated Revenue Impact Statement**

This bill exempts the State Museum from remitting admissions tax, which is five percent, on the admissions fees collected. Based on updated information provided by the State Museum, admissions tax remitted in FY 2012-13 was $41,230 and projected admissions tax to be paid in FY 2013-14 is $30,000. The decline is partially attributable to the ongoing construction. The opening of the new attractions (observatory, planetarium and 4D theater) has been delayed and is expected to open in August 2014. Based on the State Museum’s historical admissions taxes and the opening of new exhibits, we expect the new attractions to increase admissions taxes to $50,000 in FY 2014-15. Therefore, we expect a decline in general fund revenue by $50,000 in FY 2014-15.

**Explanation of Bill filed March 25, 2013**

This bill proposes to exempt the State Museum from remitting admissions tax, which is five percent, on the admissions fees it collects. Based on information provided by the State Museum, admissions revenue was estimated at $1,199,500 for FY 2013-14, given an anticipated opening on January 1, 2014 of the new attractions (observatory, planetarium and 4D theater) at the State Museum. However, the opening has been delayed and is not expected to open until spring 2014. As of December 2012, admissions revenue was $544,728. Annualized, this number results in total admissions revenue of $1,089,458, which we believe better represents admissions revenue for FY 2013-14. Based on this figure, this bill would decrease general fund revenue by $54,472 in FY 2013-14. For reference purposes, Proviso 29.10 in the current budget bill also provides for this exemption.

This act takes effect July 1, 2013.

*Approved By:*

Frank A. Rainwater

Board of Economic Advisors

1/ This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact or Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.

**A** **BILL**

TO AMEND SECTION 12‑21‑2420, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO EXEMPTIONS FROM THE ADMISSIONS LICENSE TAX, SO AS TO EXEMPT ADMISSIONS CHARGED BY THE STATE MUSEUM.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 12‑21‑2420 of the 1976 Code, as last amended by Act 74 of 2001, is further amended by inserting before the final paragraph:

“(16) on admissions to the State Museum.”

SECTION 2. This act takes effect July 1, 2013.

‑‑‑‑XX‑‑‑‑