

February 24, 2021

	<b>Yes</b>	<b>No</b>
<b>DOR Administrative Costs/Savings</b>		<b>X</b>

Department of Revenue  
Analysis of H.F. 298 (Noor) As Proposed to be Amended (H0298DE1)

	<b>Fund Impact</b>			
	<b><u>F.Y. 2022</u></b>	<b><u>F.Y. 2023</u></b>	<b><u>F.Y. 2024</u></b>	<b><u>F.Y. 2025</u></b>
			(000's)	
General Fund	(\$880)	(\$890)	(\$900)	(\$910)
Natural Resources and Arts Funds	(\$50)	(\$50)	(\$50)	(\$50)
Total – All Funds	(\$930)	(\$940)	(\$950)	(\$960)

Effective for sales and purchases made after June 30, 2021.

**EXPLANATION OF THE BILL**

**Current Law:** Admissions to places of amusement, recreational areas, or athletic events are taxable.

**Proposed Law:** The bill would exempt the right to purchase the privilege of admission to a college or university athletic event in a preferred viewing location for a season of a particular athletic event if three criteria are met: 1) the amount paid for the right to purchase a ticket is used entirely to support student scholarships, wellness, and academic costs, 2) the amount paid for the right to purchase a ticket is separately stated from the admission price, and 3) the admission price is equal to or greater than the highest priced general admission ticket for the closest seat not in the preferred viewing location.

**REVENUE ANALYSIS DETAIL**

- It is assumed that the exemption would apply to the scholarship gift or donation included as part of the season ticket price. It is assumed that all scholarship donations are separately stated from the ticket price.
- It is assumed that parking is not included in the exemption.
- The University of Minnesota reported the portion of season ticket prices collected as scholarship seating donations. Scholarship seating donations totaled \$12.1 million for the 2019-2020 school year.
- The donation amounts for the University of Minnesota were increased 10% to include other colleges and universities that would qualify for the exemption.
- The estimates are based on ten sports programs at five colleges, including football, men’s and women’s basketball, men’s hockey, and volleyball at the University of Minnesota. No adjustment is included for possible additional sports programs that would qualify.
- It is assumed that revenues from seating donations will increase 1% per year.
- The first full year impact is assumed to be fiscal year 2022.

Minnesota Department of Revenue  
Tax Research Division  
<https://www.revenue.state.mn.us/revenue-analyses>