

Department of Finance and Administration

Legislative Impact Statement

Bill: SB745

Amendment Number: S1 (3/19/15 Engrossment)

Bill Subtitle: TO AMEND THE LAW CONCERNING THE TAX APPLICABLE TO COIN-OPERATED AMUSEMENT DEVICES; AND TO AMEND THE DEFINITIONS APPLICABLE TO COIN-OPERATED AMUSEMENT DEVICES.

Basic Change : Sponsor: Senator J. Hutchinson

Engrossment 03/19/15 --- Senate Amendment 1 --- The amendment reinstates the current limit authorizing a person to win a prize valued at up to twelve dollars and fifty cents (\$12.50) and adds a new limit of up to five hundred dollars (\$500) if the toy or novelty is offered as a prize by an amusement operator conducting business at a facility that meets the following criteria:

- The facility has in excess of twenty-five thousand square feet (25,000 sq. ft.);
- The facility offers a full-service restaurant menu during all hours of operation; and
- The facility is located in a county that has a population that exceeds three hundred and fifty thousand (350,000) and is traversed by a navigable river;

Original Bill --- The proposal would amend the current law regarding the twelve dollars and fifty cents (\$12.50) wholesale value to eight-hundred and fifty dollars (\$850.00) of the prize awarded by an amusement device operator.

Revenue Impact :

No impact on current state revenues. Amusement device operators pay annual licensing fees and decal fees for each amusement device of the licensee. State and local sales taxes are due on the prices paid to play the amusement games. The proposal does not change the current fee and tax.

Taxpayer Impact :

The bill increases the value of prizes that may be won by playing amusement games and devices.

Resources Required :

None

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

None

Legal Analysis :

Amendment 1 to SB745 adds language to exclude casino-gambling style games from the definition of "amusement device." The prior value of items that could be redeemed of \$12.50 was restored, with an exception for items with a wholesale value of no more than \$500 for certain facilities. These facilities are those that are greater than 25,000 square feet, have a full-service restaurant menu during all hours of operation, have at least 100 amusement devices, and are located in a county with a population exceeding 350,000 which are traversed by a navigable river. The Amendment has no impact on the amount of collection of sales taxes or annual licensing fees and decal fees by DFA or any DFA procedures.