



SC REVENUE RULING #90-10

**SUBJECT:** Computerized Ticket Sales  
(Admissions Tax)

**TAX ANALYST:** Deana West

**EFFECTIVE DATE:** With respect to conclusions 1 and 2, the effective date is January 1, 1991.

With respect to conclusions 3 and 4, this ruling applies to all periods open under statute.

**SUPERSEDES:** All previous documents and any oral directives in conflict herewith.

**REFERENCE:** S. C. Code Ann. Section 12-21-2410 (1976)  
S. C. Code Ann. Section 12-21-2420 (Supp. 1989)  
S. C. Code Ann. Section 12-21-2520 (1976)

**AUTHORITY:** S. C. Code Ann. Section 12-3-170 (1976)  
SC Revenue Procedure #87-3

**SCOPE:** A Revenue Ruling is the Commission's official interpretation of how tax law is to be applied to a specific set of facts. A Revenue Ruling is public information and remains a permanent document until superseded by a Regulation or is rescinded by a subsequent Revenue Ruling.

**Questions:**

1. Does the measure of the admissions tax include service charges imposed by computerized ticket sales companies?
2. Does the measure of the admissions tax include credit card processing fees imposed by ticket sales companies?
3. What amounts must be included in the admissions price printed on the ticket?
4. Are out of state ticket sales or purchases to South Carolina places of amusement subject to the admissions tax?

Facts:

Promoters staging a concert, sport or similar event charging an admission will frequently employ ticket sales companies to assist in the computerized sale of tickets. Typically, these tickets can be purchased in person at the box office, by mail, by telephone or at remote ticket outlets.

For each ticket purchased through remote ticket outlets, mail or telephone, a separate fee (service charge) is usually assessed. Based upon an agreed formula, the remote ticket outlet and the computerized ticket sales company divide the money received from the service charge. For some events, however, the ticket sales company may retain the entire service charge proceeds. Furthermore, customers purchasing by credit card may be charged an additional fee for the system to process the charge transaction (credit card processing fee).

The following examples of typical ticket price structures summarize the facts discussed above and provide assistance in addressing the questions:

Example 1:

Event Price	\$25.00
Service Charge	2.00*
Credit Card User Fee (if applicable)	1.00
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Total Cash Ticket Price	\$27.00
Total Charge Ticket Price	\$28.00

\* The service charge is imposed only upon sales at remote ticket outlets or through mail order requests. It is not imposed upon sales at the box office where the event is to be held.

Example 2:

Event Price	\$26.00
Service Charge	1.00*
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Total Cash Ticket Price	\$27.00

\* The service charge is imposed upon all sales, including tickets sold at the box office where the event is to be held.

Discussion:

1. and 2. The first two issues concern whether service charges and credit card user fees are part of "paid admissions".

Code Section 12-21-2410 defines the word admission as "the right or privilege to enter into or use a place or location". Code Section 12-21-2420 imposes the admissions tax and reads, in part:

There shall be levied, assessed, collected and paid upon all paid admissions to all places of amusement within this State a license tax of four percent

Paid admissions, the measure of the admissions tax, is, therefore, the amount required to be given for the right or privilege to enter into or use a place or location.

The issues in question were addressed in the New Jersey case Ticketron, Inc. v. Director, Division of Taxation, Division of Tax Appeals, April 5, 1979. Ticketron, an independent ticketbroker, used computer-directed remote terminals located in retail stores and banks to sell tickets. This allowed customers to purchase tickets at alternative locations at the established box office price plus an additional separate fee, referred to as a service charge.

In determining that the service charge was not taxable as an admission charge, the Division of Tax Appeals concluded:

Ticketron's fee or "service charge" does not purport to be an admission charge. It is a separate service charge for which the purchaser receives a separate receipt. It is not tied to admission since a customer can gain admission to the event involved without paying Ticketron's fee by simply buying the ticket at the box office in person or by mail.

\* \* \* \*

From the facts in the case before me, it is clear that the Ticketron fee is not an admission charge because one need not pay the Ticketron fee in order to gain admission. The fee is simply a service charge for making tickets available to customers at remote locations.

3. The third question concerns printing the amounts of the service charge fee or credit card user fee on the ticket.

Code Section 12-21-2520 provides guidance as to what price must be printed on the ticket and reads:

No operator of a place of amusement shall sell or permit to be sold in his place of business any admission ticket without the price of admission printed thereon, nor shall he sell or permit to be sold any admission ticket at a price other than the price printed thereon. Provided, however, that upon written application to the Commission, the Commission may, in its discretion and for good cause, waive the requirements of this section.

4. The final question concerns the applicability of the admissions tax to out of state ticket sales or purchases.

As discussed previously, Code Section 12-21-2420 imposes the admissions tax "...upon all paid admissions to all places of amusement within this State...[and] the tax imposed by this section shall be paid by the person or persons paying such admission price..."

Conclusion:

1. Service charges imposed by computerized ticket sales companies, and paid by all persons entering an event, are included in the measure of the admissions tax.

Service charges imposed by computerized ticket sales companies, but only paid by persons purchasing the tickets at remote locations or by mail, are not included in the measure of the admissions tax.

2. Credit card processing fees imposed by ticket sales companies are not included in the measure of the admissions tax unless all persons entering an event are required to pay by credit card.
3. Service charges included in the measure of the admissions tax are required to be included in the total admissions price printed on the ticket, unless the Commission approves otherwise.
4. Sales and purchases of tickets to South Carolina places of amusement are subject to the admissions tax whether purchased inside or outside South Carolina.

SOUTH CAROLINA TAX COMMISSION

s/S. Hunter Howard, Jr.  
S. Hunter Howard, Jr., Chairman

s/A. Crawford Clarkson, Jr.  
A. Crawford Clarkson, Jr., Commissioner

s/T. R. McConnell  
T. R. McConnell, Commissioner

Columbia, South Carolina  
October 3, 1990