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SC TECHNICAL ADVICE MEMORANDUM #90-11

TO: Mr. Marvin N. Davant, Manager  
Field Services Division

FROM: Deana West  
Tax Policy and Special Procedures Department

DATE: September 6, 1990

SUBJECT: Amusement Park  
(Admissions Tax)

REFERENCE: S. C. Code Ann. 12-21-2420 (1976)  
S. C. Code Ann. 12-21-2530 (Supp. 1989)

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

SCOPE: A Technical Advice Memorandum is a temporary document issued to an individual within the Commission, upon request, and it applies only to the specific facts or circumstances related in the request. Technical Advice Memoranda have no precedential value and are not intended for general distribution.

Question:

May ABC Company collect admission tickets, from patrons of the XYZ Amusement Park, without tearing the tickets?

Facts:

ABC Company operates the XYZ Amusement Park. Currently, the park has 33 rides and attractions. The park sells \$25.00 books of tickets and \$ .25 individual tickets at the 12 ticket booth locations in the park.

Presently, the park does not tear tickets as they are collected from the customers. Instead, the tickets are received by the ride operator from customers entering the ride area and placed in a locked box at the operators booth.

The system used at the XYZ Amusement Park includes the following procedures and controls:

1. Tickets are maintained in an on-site secured storage area.
2. Ticket dispensing machines, which contain a five digit meter, accumulate the number of tickets issued. The machines are sealed by the manufacturer and the meters cannot be reset.
3. "Daily Ticket Sellers Reports" containing the beginning and ending numbers from the meters and from the tickets are maintained for each booth.
4. Ticket sellers are under direct supervision and are regularly monitored.
5. A "Daily Summary Sheet" is completed by the Amusement Park office manager and staff. Any variance in the number of tickets sold is analyzed.
6. The tickets from each ride are delivered by armored car to ABC where they are weighed to determine the dollar value of the total ticket count per ride. Any variances are reported to the Amusement Park office for analysis.
7. A computer system verifies the accuracy of the admissions tax payable recorded daily in a general ledger.
8. All used tickets are shredded once the above procedures are completed.

Discussion:

The issue is whether the above described ticket collection process is a permitted method of handling admission tickets to a place of amusement.

South Carolina imposes a 4% admissions tax on all paid admissions to places of amusement, pursuant to Code Section 12-21-2420.

Code Section 12-21-2530 provides for the method of collecting tickets and reads:

As each patron is admitted to a place the paid admissions to which are subject to the tax imposed by Section 12-21-2420, his ticket shall be collected and immediately torn in two parts, approximately through the center, one half given to the patron and the other half retained by the ticket taker. The provisions of this section shall not apply to season tickets or tickets for a series of admissions issued on account of subscription.

Conclusion:

In accordance with Code Section 12-21-2530, ABC Company must tear the tickets approximately in half, giving one half to the patron and retaining the other half.