

Dated: October 24, 2016
Georgia Letter Ruling: LR SUT-2016-15
Topic: Admission Charges

This letter is in response to your request for guidance on the application of Georgia sales and use tax to charges made for home tours by [Redacted] (“Taxpayer”).

Facts as Presented by Taxpayer

Taxpayer preserves historic sites in [Redacted] County, including a home built in [Redacted]. Taxpayer charges visitors for admission into the home, and this charge includes a tour of the home with a trained docent. During the tour, the docent explains the history of the home’s owners. Although Taxpayer is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, admission fees are not tax-deductible donations (for income tax purposes).

Issue

Are Taxpayer’s charges for home admission and tours subject to sales and use tax?

Analysis

Georgia sales and use tax is levied and imposed upon the retail purchase, retail sale, rental, storage, use, or consumption of tangible personal property and on certain enumerated services.¹ “Retail sale” specifically includes sales of tickets, fees, or charges made for admission to, or voluntary contributions made to places of, amusement, sports, entertainment, exhibition, or display.²

Generally, when a nonprofit organization engages in a retail sale, the organization is required to comply with provisions of Georgia law relating to collection and remittance of sales and use tax.³ As such, Taxpayer must collect and remit the tax when making retail sales. Since a charge for admission to a place of exhibition or display is a retail sale, Taxpayer’s charge for home admission with a tour is subject to the tax.

Ruling

Georgia imposes the tax on charges made for admission to places of entertainment, exhibition, or display. Thus, Taxpayer must collect and remit tax on its charges for home admission with a tour.

The opinions expressed in this ruling are based upon the information contained in your request and limited to the specific transactions, facts, circumstances, and taxpayer in question. Should the circumstances regarding the transactions change or differ materially from those represented, this ruling may become invalid. Subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which this ruling is based may subject similar future transactions to different tax treatment than that expressed in this ruling.

¹ O.C.G.A. § 48-8-30.

² O.C.G.A. § 48-8-2(31)(C).

³ Ga. Comp. R. & Regs. r. 560-12-2-.22.