

Georgia Letter Ruling Number: LR SUT-2018-15

Topic: Admission Charges

Date Issued: December 28, 2018

This letter is in response to your request for guidance on the application of Georgia sales and use tax to sales of tickets for admission to certain events.

Facts Presented by Taxpayer

[Redacted] (“Taxpayer”) coordinates, directs, and oversees the planning, marketing, and execution of business meetings for [Redacted] (“Owners”). Taxpayer and Owners are unrelated. Taxpayer conducts seminars in Georgia with the purpose of providing the Owners with a better understanding of the Taxpayers business opportunity and its history as well as guidance on how Owners can achieve their various sales goals. These events are generally held in hotels.

Taxpayer provides the seminars for educational and self-improvement purposes. The seminars include approximately 16.5 hours of instruction over eight sessions of content. Taxpayer requires that seminar speakers have a high level of experience and recognition in the business. The most recent meeting agenda included sessions about leadership, business strategies, and products. At different points in the seminar, there may be minimal amounts (10-30 minutes) of entertainment, such as musicians to open the seminar and transition between sessions. These seminars do not market any outside exhibitions or displays to the participants during the event.

Currently, Taxpayer collects Georgia sales tax on tickets to attend seminars in Georgia. While the some ticket prices includes sales tax, Taxpayer adds sales tax to other tickets. The tickets are non-refundable.

Issue

Are sales of tickets to Taxpayer’s seminars in Georgia subject to sales and use tax?

Analysis

Georgia levies and imposes a tax (subject to certain specific exemptions) on the retail purchase, retail sale, storage, use, or consumption of tangible personal property, certain enumerated services, and utilities.¹ “Retail sale” means any sale, lease, or rental for any purpose other than for resale, sublease, or subrent.² Sales of tickets, fees, or charges for admissions to places of amusement, entertainment, exhibition, display, and athletic contests and charges made for participation in games and amusement activities are specifically enumerated as retail sales and, accordingly, are subject to sales and use tax.³

Sales of services are not subject to sales and use tax unless the service is specifically designated as taxable. Professional, insurance, and personal service transactions are not taxable, even when such transactions involve a non-itemized sale of tangible personal property as an inconsequential element.⁴

In this case, Taxpayer coordinates seminars to provide attendees an understanding of the company and guidance on how to achieve sales goals. The seminar is aimed at helping small business owners improve their sales skills and business practices. Unlike customers purchasing tickets for an entertainment or exhibition event, Owners attend Taxpayer’s seminars with the expectation of developing and advancing their business skills. Therefore, the seminars are akin to job training or continuing education conferences, and Taxpayer’s charges for seminars do not appear to be the type of charges contemplated as taxable sales.

Ruling

Sales of tickets to Taxpayer’s seminars in Georgia do not fall within the definition of a “retail sale” and, thus, are not subject to sales and use tax.⁵

¹ O.C.G.A. §§ 48-8-1, 48-8-2(31), and 48-8-30.

² O.C.G.A. § 48-8-2(31).

³ O.C.G.A. § 48-8-2(31)(C) and (D).

⁴ O.C.G.A. § 48-8-3(22).

⁵ As a dealer, Taxpayer may secure a refund if Taxpayer affirmatively shows (a) that the tax illegally or erroneously collected was paid by Taxpayer and not paid by the consumer, or (b) that such tax was collected from the consumer

Georgia Letter Ruling Number: LR SUT-2018-15

Topic: Admission Charges

Date Issued: December 28, 2018

Page 2 of 2

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. The facts herein are those presented by the taxpayer and the Department accepts them as true for this ruling. If the facts presented herein change, are not true, are different, or material facts have been omitted, the conclusions reached in this ruling may change. In addition, subsequent statutory or administrative rule changes or judicial interpretations of the statutes or rules upon which this advice is based may subject similar future transactions to a different tax treatment than that expressed in this ruling.

as tax (either by including tax in the ticket price or by adding tax to the ticket price) and has since been refunded to the consumer. O.C.G.A. §§ 48-2-35 and 48-2-35.1; Ga. Comp. R. & Regs. r. 560-12-1-.25.