



CITY OF SACRAMENTO

~~4~~
26

DEPARTMENT OF FINANCE
DIVISION OF REVENUES AND COLLECTIONS
915 I STREET
ROOM 104
SACRAMENTO, CA 95814
TELEPHONE (916) 449-5681

CITY MANAGER'S OFFICE
RECEIVED
DEC 17 1979

December 17, 1979

City Council
Sacramento, California,

Honorable Members in Session:

SUBJECT: Ordinance Adding Section to City Code Relating to
Exemption From Admissions Tax for Certain Live
Theatre Performances

SUMMARY:

The attached report to the Budget and Finance Committee outlines background regarding Admissions Tax for certain live theatre performances and recommends revision to the City Code which would add Section 41.92-2 (a) (7) providing exemption from collection and remittance of the admissions tax for certain live theatre performances with at least fifty (50) performances annually and a maximum annual gross of \$50,000.

BACKGROUND INFORMATION:

At the November 27, 1979 Budget and Finance Committee meeting, the attached report was approved by the committee and staff was directed to forward it to the City Council.

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution amending Chapter 41 of the Sacramento City Code by

APPROVED PFP +
BY THE CITY COUNCIL
DEC 26 1979
OFFICE OF THE
CITY CLERK
Cont 40
1-2-80

APPROVED
BY THE CITY COUNCIL
JAN 2 1979
OFFICE OF THE
CITY CLERK

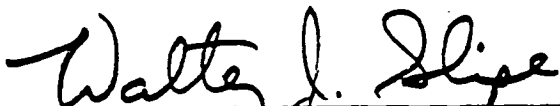
adding Section 41.92-2 (a) (7) pertaining to exemption from collection and remittance of the admissions tax for certain live theatre performances.

Respectfully submitted,



Jack R. Crist, Director of Finance
Acting Revenues & Collections Officer

Recommendation Approved:



Walter J. Slipe
City Manager

KN:JRC:am
Attachment

December 26, 1979
All Districts



CITY OF SACRAMENTO

DEPARTMENT OF FINANCE

915 I STREET
ROOM 112

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-5736

JACK R. CRIST
DIRECTOR OF FINANCE
FRANK MUGARTEGUI
ASSISTANT DIRECTOR

Budget and Finance Committee
Sacramento, California

Honorable Members in Session:

SUBJECT: Ordinance Adding Section to City Code Relating to Exemption From Admissions Tax for Certain Live Theatre Performances

SUMMARY:

Presented herewith for hearing is a draft ordinance revision to the City code which would add Section 41.92-2 (a) (7) providing exemption from collection and remittance of the admissions tax for certain live theatre performances with at least fifty performances annually and a maximum gross receipts of \$50,000.

BACKGROUND INFORMATION

On September 28, 1978 the Board of Directors of the Old Eagle Theatre contacted Mayor Isenberg and members of the City Council requesting that consideration be given to exemption from the City-wide admissions tax for small live theatres within the City of Sacramento. The reasoning for this request was based on the fact that even though these small theatres have opted not to seek exemption under Section 17214 of the California Revenues and Taxation Code which would exempt them under Section 41.92.2 of the current City Code, they nevertheless operated on a non-profit basis and their contribution to the artistic climate of the community should qualify them for exemption. While exemption is undoubtedly available to these theatres, affirmative action on their part is required. They feel that qualification for exemption would require additional cost for them as well as being an unnecessary inconvenience to them. So that such affirmative action will not be necessary, an amendment to the ordinance is required. This letter was forwarded to the City Attorney's office to formulate a proposed ordinance revision which would enable such exemption.

The three operators mentioned in the Old Eagle Theatre's request have been contacted to gain data as a basis for such exemption. The attached proposed ordinance is based on the information received from them.

FINANCIAL DATA

Based on information currently available to us it would appear that passage of this proposed revision would result in a decrease to City revenue of from zero to \$3,500 depending upon whether or not the theatres should decide to take the remedies currently available to them.

RECOMMENDATION

Staff believes that there are no economic reasons for justifying this exemption; however, it is being recommended based on administrative convenience.

Respectfully submitted,



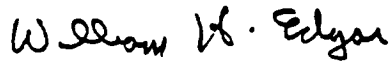
Jack R. Crist
Director of Finance

JRC:MB:df

Enclosure: Draft Ordinance

cc: Bacchus Theatre Playhouse
Chatauqua Players
Stagedoor Comedy Playhouse
The Old Eagle Theatre

Recommendation Approved:



William H. Edgar
Assistant City Manager

~~4298~~ 4299

ORDINANCE ADDING SUBSECTION (a) (7)
TO SECTION 41.92.2 OF THE SACRAMENTO
CITY CODE RELATING TO AN EXEMPTION
FROM THE ADMISSIONS TAX FOR CERTAIN
LIVE THEATRE PERFORMANCES

BE IT ENACTED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

SECTION 1.

Subsection (a) (7) hereby is added to Section 41.92.2
of the Sacramento City Code to read as follows:

(a) (7) No person shall be responsible to pay
or collect any tax imposed by this article for
any event consisting of a live theatre perform-
ance the operator for which has presented or
staged at least 50 such performances within the
twelve month period immediately prior to the
event for which the exemption is sought and the
gross receipts from the sale of tickets to such
events annually does not exceed \$50,000.

APPROVED
BY THE CITY COUNCIL

JAN 2 1979

OFFICE OF THE
CITY CLERK