



This Week in State Tax (TWIST)

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South Carolina: Palmetto State issues guidance on admissions tax and advance ticket sales

The South Carolina Department of Revenue recently issued updated guidance on the state admissions tax, detailing when taxpayers should remit admissions taxes in various situations. Separately, the department also provided additional information on businesses subject to the tax.

South Carolina imposes a tax on amounts paid in exchange for the privilege to enter or use a “place of amusement.” The updated guidance explains that when businesses are selling tickets in advance of an event (e.g., the sale of season tickets to sporting events), patrons are paying to enter the place of amusement on a future scheduled date, not when the payment is made. Consequently, revenue from paid admissions for advance ticket sales must be reported with the admissions tax return for the month in which the ticketed event takes place.

The department distinguished the season ticket example from a situation in which a patron purchases a season pass to a place of amusement which allows the patron to enter amusement any time. In such cases, the place of amusement should report and remit sales tax to the department based on when the season pass is sold. Similarly, if the admissions price is paid by patrons after the event, then the place of amusement needs to report the receipts based on when the admissions prices are paid since there is no “paid admissions” until the patrons pay the admissions price. When a place of amusement sells gift certificates that must be redeemed for a ticket prior to an event, the right to enter the amusement is not granted until the certificate is redeemed and the ticketed event takes place. As such, the amusement tax for such sales should be remitted based on when the event occurred.

In a separate guidance, the department reaffirmed that any business will be considered a place of amusement if it “distracts the mind, relaxes, entertains, or gives pleasure” to patrons, and a place of amusement will not be excluded simply because the business may also have another purpose. The guidance provides a non-exhaustive list of over 30 types of businesses subject to the admissions tax, unless specifically exempt by law, including: air and balloon shows, escape rooms, automobile shows, bowling alleys, and spectator events. Please contact [Nicole Umpleby](#) with questions about [S.C. Revenue Procedure #26-2](#), or [S.C. Revenue Ruling #26-2](#).

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