

Subject Amusement device gross receipts tax established

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Overview

This bill establishes a new gross receipts tax of 6.875 percent on the service of providing amusement devices for play. This tax will replace the state sales and use tax imposed on this service. This bill makes corresponding changes to the sales tax statutes referencing the tax on these devices.

Effective July 1, 2024.

Summary

Section	Description
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1	Amusement device gross receipts tax.
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This section establishes a gross receipts tax equal to 6.875 percent on the service of making available for play any amusement device. This section specifies that the portion of the tax equal to 6.5 percent be deposited in the general fund and the remaining portion be deposited pursuant to the legacy constitutional amendment requirements.

This section defines an “amusement device” to be any electronic or mechanical machine or device that operates to provide entertainment or amusement including bowling alleys, fortune telling machines, cranes, foosball tables, pool tables, video games, pinball machines, batting cages, photo booths, etc.

2	Sale and purchase.
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This section removes “amusement devices” from the sales tax base for taxable services.

3	Coin-operated entertainment and amusement devices.
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This section updates a cross-reference to the new gross receipts tax to clarify that the purchase of coin-operated amusement devices to a retailer making available the devices for play is exempt from sales tax.

Section	Description
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4	Jukebox music.
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	This section updates a cross-reference to the new gross receipts tax to clarify that the purchase of music for play in jukeboxes to a retailer making available the jukebox for play is exempt from sales tax.
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