

## **Business tax tip #21**

### **Filling Out the Admissions and Amusement Tax Return**

The admissions and amusement tax return is a simple form. You can save time and money, and avoid some of the most common filing problems if you fill out the return completely. Here are some answers to the most frequently asked questions about the return.

See a [sample return and step-by-step instructions](#). The step-by-step instructions are also included below. Instructions are also printed on the return.

#### **What activities must be reported?**

The local admissions and amusement tax is a tax on the gross receipts from admissions, the use or rental of recreational or sports equipment and the sale of merchandise, refreshments or service at a night club or similar place where entertainment is provided. Effective June 1, 2009, a state admissions and amusement tax of 30 percent is imposed on the taxable net proceeds from [electronic bingo and electronic tip jars](#). The state tax is in addition to any county or municipal admissions and amusement tax which may be levied on those items. Admissions and amusement taxes which may be due for both the state of Maryland and a county or municipality for these specific activities must be noted on separate lines on the admissions and amusement tax return and may not be combined.

#### **What is the tax rate?**

The tax is imposed by Maryland's counties and municipalities at varying rates up to 10 percent. The state admissions and amusement tax on electronic bingo and electronic tip jars is imposed at a 30 percent rate. You can download a current [rate chart](#) or obtain one by calling our Taxpayer Service Section at 410-260-7980 in the Baltimore area, and toll-free 1-800-638-2967 from elsewhere in Maryland.

#### **Who collects the tax?**

The tax is collected by the State Comptroller's Office. The entire amount of the tax collected, less administrative expenses, is returned to the municipalities and counties imposing the tax. The new state admissions and amusement tax revenue on electronic bingo and electronic tip jars is

directed to the state's general fund.

### **Where can I get an admissions and amusement tax return?**

Regular accounts receive pre-coded returns. If yours is a one-time event or fund-raiser such as a dance, show or concert, the facility at which the event is taking place may have notified the Special Events Section ahead of time. In that case, you will receive a return directly from the Special Events Section. You must contact us at 410-767-1540 if you are planning events such as class reunions, carnivals, dances and shows at places other than regular facilities like catering halls or convention centers.

### **When do I file?**

On regular returns, the due date is printed on the face of the return. If you receive a return from the Special Events Section, you must file it, together with any taxes due, by the tenth day of the month following the month in which the event occurred.

### **What happens if I don't file, or if I'm late in filing a return?**

You must file a return, even if you don't have any taxable receipts. Late returns are subject to a penalty charge of 10 percent, plus interest. If you do not respond to a notice of an unfiled admissions and amusement tax return, your tax may be estimated and an additional penalty of 25 percent imposed. According to state law, the personal liability for the tax extends to any officer of a corporation who exercises direct control over the fiscal management of the corporation. The state may also withhold your personal income tax refund if you owe an admissions and amusement tax debt.

### **Is it necessary that I use the tax returns I receive from the state?**

Yes. Taxpayers with regular accounts must use the pre-coded forms we send. Copies or computer-generated forms will not be accepted. The magnetic scan line at the bottom of the original form contains data we need to process your return.

### **Step-by-step instructions**

The following step-by-step instructions for filling out the admissions and amusement tax return are also shown on the [sample return](#):

**1. Subdivisions and Activities**

You must report the gross receipts and tax for each activity and subdivision in which you did business during the reporting period. Your return will be pre-printed with the subdivisions and activities that you reported on your most recent returns; you must add any others. The net proceeds from electronic bingo and electronic tip jars are subject to a 30 percent admissions and amusement tax levied by the state of Maryland. In this case, enter "State of Maryland" as the subdivision. Admissions and amusement taxes which may be due for both the state of Maryland and a county or municipality for these specific activities must be noted on separate lines and may not be combined. The net proceeds and tax for electronic bingo should be reported under Activity Code 14 (Bingo) and the net proceeds and tax for electronic tip jars should be reported under Activity Code 17 (Coin-operated Amusement Devices).

**2. Gross Receipts - Column A**

Combine the gross receipts for all locations of each activity in a subdivision. For example, if you have three movie theaters in Baltimore County, add the receipts from all three and enter the total on the appropriate line. The receipts must not include tax. If you do business on a "tax included" basis, you must deduct the amount of tax before entering your receipts. Report the net proceeds from electronic bingo and electronic tip jars in this column as well. For more information on computing the taxes, request Business Tax Tip 20 - Computing Admissions and Amusement Taxes.

**3. Rate - Column B**

Except for the 30 percent state admissions and amusement tax on electronic bingo and electronic tip jars, the tax rates for various activities are set by each subdivision. The correct rate will be printed for each subdivision and activity which you reported on your most recent returns.

**4. Tax - Column C**

Multiply the gross receipts in Column A by the tax rate in Column B and enter the result in Column C.

**5. Total Taxes**

Add all the amounts in Column C and enter the total on this line.

**6. Due Date**

The due date is printed in the lower left portion of the form above the signature block.

**7. If Late**

If you do not file by the due date, you must include a penalty of 10 percent of the tax due plus interest. The current interest rate is pre-printed on returns.

**8. Current Account: Balance Due (+) or Credit (-)**

If you receive a Statement of Account, you may claim a credit or pay an outstanding balance on this line. Enter a minus sign (-) in the brackets and the amount of credit due you or a plus sign (+) and the outstanding balance you are paying with this return. If you have not received a Statement of Account, leave this line blank.

**9. Payment Due with this Report**

Combine total taxes, interest and penalty, and current account balance and enter the total on this line. This should be the amount of your check.