



Amusement Tax – Frequently Asked Questions

License, Reporting and Other Administrative Requirements:

Q. Is a license required for operating a place of amusement?

A. Yes. The license may be obtained by completing an Amusement Tax License Form provided by the City. The license is free. Seasonal or temporary operators are issued a license and are required to file for those days/months in which the business is active. One time events must be licensed. Taxpayers are required to file a return for a onetime event. (ref. Galena Code of Ordinances: §35.92)

Q. What is the admissions tax rate?

A. The tax rate is seven and one-quarter percent (7.25%) of the admission fees or other charges paid for the privilege to enter or otherwise gain access to the amusement. (ref. Galena Code of Ordinances: §35.93)

Q. How is the admissions tax calculated, on the gross or net proceeds?

A. The admissions tax is calculated on the paid admissions - the gross proceeds paid by the patrons. Note: Unless separately stated on the tickets provided to the patrons, the admissions tax is considered to be included in the charge to enter or use the place of amusement. (ref. Galena Code of Ordinances: §35.93)

Q. When does an admissions tax license expire?

A. The admissions tax license is a permanent license that does not expire. However, the license is only valid for the person to whom it was issued and for the place it was issued. In other words, it is not transferable.

Q. How often must admissions tax returns be filed?

A. The owner or owners of each amusement within the city shall file monthly tax returns showing the total sales and the tax receipts received with respect to each amusement during each month. The returns shall be due on or before the last day of the month for the preceding calendar month. (ref. Galena Code of Ordinances: §35.95)

Q. If a place of amusement erroneously collects admissions tax from a patron, who is entitled to the refund?

A. The patron is the taxpayer under the law. As such, the refund must be issued to the patron and not the place of amusement unless the patron has assigned his right to the refund to the place of amusement.

Types of Amusements and Amusement Charges or Fees:

Q. What is an amusement?

A. An amusement is defined as: "Any and all spectator and exhibitor entertainment, including, but not limited to, the following activities: any movie; theatrical, dramatic musical, or spectator performance; carnival; circus; rodeo; animal act; amusement ride; amusement attraction; any tour, whether guided or by listening device, whether in a vehicle or walking; events where spectators pay a fee to watch an athletic contest, sport, game or similar exhibition such as boxing, wrestling, skating, dancing, swimming, racing or riding on animals or

vehicles; any entertainment or recreational activity offered for public participation, or on a membership or other basis including but not limited to events where spectators pay a fee to watch games, bowling, billiards, bingo, or pool. Exceptions to this definition include events sponsored by tax exempt organizations, the Galena Community Unit School District #120, and Tri-State Christian School. For purposes of this Ordinance, amusement shall not mean raffles as defined in the Illinois Compiled Statutes, Chapter 230.” (ref. Galena Code of Ordinances: §35.91)

Q. If an admissions is provided free of charge (no consideration of any kind), is admissions tax due?

A. No. The tax only applies to paid admissions.

Q. Are admissions to arts and craft shows, home shows, boat and similar shows subject to the admissions tax?

A. Yes, as long as actual admission fees are charged of spectators and the event is not exempt per Section 35.91 (A) of the Galena Code of Ordinances.

Q. Would entrance fees to a stage play be taxable?

A. Yes provided the play was not sponsored by a tax exempt organization or a local school.

Q. Is the admissions tax license transferable to another party?

A. No. A license shall be required for each new owner and each separate place of amusement.

Exemptions and Exclusions:

Q. Are there any exemptions from the admissions tax?

A. Yes. Tax exempt organizations and all amusements of local schools and raffles are exempt from the tax. (ref. Galena Code of Ordinances: §35.91)

Please contact the City of Galena at 815-777-1050 with any questions.