

CITY OF GALENA, ILLINOIS

101 Green Street, PO Box 310, Galena, Illinois 61036



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 online Amusement Tax License Registration Form through the Localgov link provided on the City website. 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 one-time event. (ref. Galena Code of Ordinances: §35.92)
- Q. What is the Amusement 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 Amusement Tax calculated, on the gross or net proceeds?**
- A.** The Amusement 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 Amusement Tax is included in the charge to enter or use the place of amusement. (ref. Galena Code of Ordinances: §35.93)
- Q. When does an Amusement Tax license expire?**
- A.** The Amusement 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. What form must I use to report the Amusement Tax?**
- A.** There is no hardcopy form. You file the monthly Amusement Tax Return online through Localgov. See the www.cityofgalena.org website for links under Forms/Applications – Business Forms – Amusement Tax Registration and Return.
- Q. How often must Amusement 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. Must I file the Amusement Tax Return even if I have no sales to report?**
- A.** Yes, you must file a completed return for each monthly reporting period regardless of whether there are receipts to report. You may file a “zero” return.

Q. Where do I file my return?

A. You should submit your return online using Localgov. See the www.cityofgalena.org website for links under Forms/Applications – Business Forms – Amusement Tax Registration and Return.

Q. What if I do not file and pay by the due date?

A. If you do not file your return and pay the tax due by the due date, you will be assessed for any tax due plus penalty and interest. The penalty is 5% of the tax unpaid. Interest of 1% is added per month to the amount of tax unpaid.

Q. If a place of amusement erroneously collects Amusement 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 admissions are provided free of charge (no consideration of any kind), is Amusement 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 Amusement 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 Amusement 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 Amusement 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.