

Statement of Estimated State Revenue Impact

Date: May 20, 2013

Bill Number: H.B. 4033

Author: Merrill

Committee Requesting Impact: House of Representatives

Bill Summary

A bill to amend the Code of Laws of South Carolina, 1976, by adding Section 12-21-2426 so as to provide that one-half of the paid admissions to a soccer specific stadium is exempt from the admission license tax imposed pursuant to Section 12-21-2420, and to define the term "soccer specific stadium".

REVENUE IMPACT ^{1/}

This bill is expected to reduce General Fund admissions tax revenue by an estimated \$16,577 in FY2013-14.

Explanation

This bill would add Section 12-21-2426 to exempt one-half of the paid admissions to a "soccer specific stadium". The exemption would be in place for ten years beginning July 1, 2013. A soccer specific stadium means a soccer facility and its ancillary grounds and facilities that must meet all of the following conditions:

1. Has a least 3,000 fixed seats for soccer patrons,
2. Serves as the home stadium for an accredited professional soccer team,
3. Engages in tourism promotion.

The only soccer specific stadium in South Carolina that meets the above criterion is Blackbaud Stadium located on Daniel Island in Charleston. Constructed in 1999, Blackbaud Stadium was the first privately funded soccer specific stadium in the United States. The soccer specific stadium and its surrounding practice fields are home to the professional soccer team, the Charleston Battery of the United Soccer Leagues (USL) Pro Soccer League. In addition to the Charleston Battery, the stadium regularly hosts sporting events such as the U.S. women's national soccer team, and the U.S. national rugby union team matches. In 2012, the Charleston Battery hosted twelve professional soccer matches in front of an average of 3,947 fans per game. Multiplying an average attendance of 3,947 fans per game for 12 games at an average ticket price of \$14 per game and applying a five percent admissions tax rate yields an estimated \$33,155 of General Fund admissions tax revenue during a typical year. By exempting one-half of the paid admissions tax that would have been remitted to the state General Fund, this bill is expected to reduce General Fund admissions tax revenue by an estimated \$16,577 in FY2013-14. This act takes effect upon approval by the Governor.



Frank A. Rainwater
Chief Economist

Analyst: Martin

^{1/} This statement meets the requirement of Section 2-7-71 for a state revenue impact by the BEA, or Section 2-7-76 for a local revenue impact of Section 6-1-85(B) for an estimate of the shift in local property tax incidence by the Office of Economic Research.