

FILE NO. 72483

December 12, 1940

Mr. J. V. Kelly, Secretary
Board of Park Commissioners
Madison Avenue Entrance, Druid Hill Park
Baltimore, Maryland

Dear Mr. Kelly:

Referring to your inquiry of October 3, 1940, as to whether tickets sold to adults at the Fort Smallwood Bathing Beach at twenty-five cents each are subject to the federal admission tax, it is my opinion that an additional three cents should have been collected from the persons paying twenty-five cents admission to the Fort Smallwood Bathing Beach after July 1, 1940.

Section 1700 (a)-1 of the Internal Revenue Code, as amended by Section 211 of the First Revenue Act of 1940, provides:

"There shall be levied, assessed, collected and paid a tax of one cent for each ten cents or fraction thereof of the amount paid for admission to any place, including admission by seasonal tickets or subscription; except that in case the amount paid for admission until July 1, 1940, is less than forty-one cents and after June 30, 1940, and before June 1, 1945, is less than twenty-one cents, no tax shall be imposed."

Section 1700 (a)-2 provides that the tax imposed under Paragraph 1 shall be paid by the persons paying for such admission.

The recent ruling of the Internal Revenue Bureau in reference to admissions paid to municipal swimming pools is set forth in the Municipal Law Journal, Vol. 5, page 106, as follows:

"On September 9, 1940, the Internal Revenue Bureau ruled that the amount paid for admission to a swimming pool or other place of amusement operated by a city or a municipality is subject to the tax under Section 1700 (a)-1 of the Internal Revenue Code, as amended, if the admission charged is twenty-one cents or more.

The ruling provides in part:

"Advice is requested whether an amount paid for admission to a swimming pool or "any place" operated by a city or other municipality is subject to tax under Section 1700 (a)-1 of the Internal Revenue Code, as amended by Section 1 of the Revenue Act of 1939 and Section 211 of the Revenue Act of 1940.