

## Admissions

SBP 909

*Cette publication est disponible en français en appelant le 1-800-668-5821.*

### About this Pointer

This *Pointer* will help you if you charge **admission** to your place of business or to an event. It explains the basic Retail Sales Tax (**RST**) rules for your type of business in plain language. If you also sell prepared foods and alcoholic beverages, please refer to **Small Business Pointer (SBP) 906 - Prepared Foods** and **SBP 907 - Alcoholic Beverages**.

### What is an admission?

An admission is a charge to enter a place of amusement. In general, a place of amusement is where live or recorded performances are presented. Examples include:

- bars or restaurants with dance floors
- night clubs
- dances where alcoholic beverages are served
- teletheatres or places with off track betting
- amusement parks
- exhibitions and shows, such as craft, home, auto, boat
- places where movies are shown
- concerts
- sporting events.

### Charging RST

**Two** RST rates may apply in your business. You charge RST at:

- **10%** on admission charges over \$4.00, and on alcoholic beverages
- **8%** on prepared foods over \$4.00, snack foods, and soft drinks.

You can bill for admissions in one of two ways:

- Show the RST separately, or
- Use tax-included pricing.

You must use the method you choose consistently. If you use tax-included pricing, you must show on the tickets, or post a sign, that 10% RST is included in the price of admission, where applicable.

### How to calculate RST with tax-included pricing

If your prices include the federal Goods and Services Tax (GST), you must **not** charge RST on the GST. Use a factor, as described below, to determine the correct RST amount.

If your price includes...	and...	then...
<b>both RST &amp; GST</b>	you do not state the actual RST included in each admission price	multiply the tax-included admission price by: • <b>10/117</b> to arrive at the RST amount.
<b>both RST &amp; GST</b>	you state the actual RST included in each admission price	multiply the actual RST included in the price by the number of admission tickets issued. <b>Example:</b> If the RST amount included in the ticket price is \$0.50 and you issue 10 tickets, the RST on the sale is \$0.50 x 10 = \$5.00.
<b>GST</b>	you charge RST separately	multiply the GST-included price by: • <b>9.346%</b> for admission prices over \$4.28. This method is the same as applying 10% RST on the GST-excluded price. Do not show the factor on your customer's bill.

For further details and tax-included pricing on sales of prepared foods and alcoholic beverages, please refer to **RST Guide 208 - Tax-Included Pricing**.

## Exempt admissions

Do **not** charge RST on admissions to:

- a live performance or a dance with a live band if at least 90% of the performers are Canadian, or
- a live-entertainment theatre show with 3,200 seats or fewer (dinner theatres, comedy clubs, plays, concerts, etc.)

For more information on exempt admissions, please refer to **RST Guide 303 - Admissions**.

## What about package deals?

If you charge **one package price** for both the meal (prepared foods) and entertainment (admission), charge RST at 8% on the meal portion if it amounts to more than \$4.00, and RST at 10% on the entertainment portion if it amounts to more than \$4.00. You must:

1. show the meal and entertainment prices separately on the tickets and clearly post the prices
2. give your customer a choice to pay for the entertainment portion without the meal, **and**
3. apply the discount rate of the package equally to the meal and the admission price if the package price is less than buying the meal and entertainment separately.

If you cannot meet the above **three** conditions, then apply RST at 10% to the total amount charged if over \$4.00.

When the package price includes exempt admission and the meal charge is over \$4.00, charge RST at 8% on the meal portion only, as long as you can meet the above three conditions. If you cannot meet these conditions, then apply RST at 8% to the total package price.

## On what do I pay RST?

You must pay RST on all taxable goods and services you buy to provide the entertainment. These include:

- printing of tickets
- staging props, lights, sound system
- furniture, equipment and supplies
- give-away or promotional items.

When you give away free tickets, you must pay RST on the usual selling price of those tickets. Report this RST on Line 3 of your RST return. Instructions on how to complete your RST return are included with your return card.

## Keeping records

You must keep **all** books and records to support your sales and purchases for at least seven years. Such records include detailed cash register tapes (X and Z tapes), guest checks, sales invoices and journals, purchase invoices and journals, bank records and financial statements.

## For more information

For more information, please contact the nearest Ontario Ministry of Finance Tax Office listed in the blue pages of your telephone directory, or call our TAX FAX service at 1-877-4-TAX-FAX (1-877-482-9329), or visit our Web site at [www.trd.fin.gov.on.ca](http://www.trd.fin.gov.on.ca).

---

*This Pointer uses plain language to explain the most common situations faced by small businesses. The explanations are provided for guidance only. Whether tax applies in your situation will depend on the specific facts involved. Please contact us if you have questions.*

