

**Caroline County  
Board of Supervisors Agenda  
Executive Summary**

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**Meeting Date:** August 9, 2022

**Title:** New Business – Discussion of Possible Admissions Tax

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*(Check Mark)*

- |   |  |
|---|--|
| <input type="checkbox"/> Consent                      | <input type="checkbox"/> Closed Meeting          |
| <input checked="" type="checkbox"/> Action            | <input type="checkbox"/> Public Hearing          |
| <input type="checkbox"/> No Action (Information Only) | <input type="checkbox"/> Ordinance               |
| <input type="checkbox"/> Resolution                   | <input type="checkbox"/> PowerPoint Presentation |

**Summary:** At the direction of Chairman Underwood, staff has placed discussion of implementing an admissions tax in Caroline County on the agenda for the August 9 Board of Supervisors meeting. Under §58.1-3818 of the Code of Virginia (copy attached), counties are now authorized to levy a tax on admissions charged for attendance at any event not to exceed 10% of the amount of charge for admission to any such event.

Localities may elect by ordinance **not** to levy a tax on admission to events with the sole purpose of raising money for charitable purposes where the net proceeds derived from the event are transferred to an entity that is exempt from the sales and use tax. The Commissioner of the Revenue’s Office, the County Administrator’s Office and County Attorney Ben Emerson believe this language enables any ordinance adopted by the Board to exempt the Caroline County Agricultural Fair (“the County Fair”) and other non-profit events from the admissions tax. The County may want to require proof that an organization’s 501 (c) (3) status is current before allowing the exemption. In addition, if a for-profit business leases space from the County Fair or any other 501 (c) (3) venue and subsequently charges an admission fee for an event, the admissions tax would then apply.

The Commissioner of the Revenue’s Office and County Administration have been working with County Attorney Ben Emerson to develop a draft ordinance. If the Board decides to move forward with further consideration of an admissions tax, staff will finalize the draft ordinance for a first reading at the September 13, 2022 Board of Supervisors meeting.

**Budget Impact:** The Commissioner’s Office estimates that an admissions tax would generate the following new revenue for the County depending on the tax percentage applied:

| Tax Rate | Estimated Revenue |
|----------|-------------------|
| 10%      | \$657,020         |
| 9%       | \$591,318         |
| 8%       | \$525,616         |
| 7%       | \$459,914         |
| 6%       | \$394,212         |
| 5%       | \$328,510         |
| 4%       | \$262,808         |
| 3%       | \$197,106         |
| 2%       | \$131,404         |
| 1%       | \$65,702          |

**Requested Action from Board of Supervisors:** Discuss and direct staff on the following issues: 1) does the Board wish to move forward with consideration of an ordinance creating an admissions tax in Caroline County? and 2) if so, what percentage admissions tax should be proposed?