

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



OTR Notice 2009-10

Revised Verizon Center Sales Tax Rate and Sales by Legitimate Theaters

November 17, 2009

On August 26, 2009, legislation was passed to increase the general sales tax rate to 6 percent. Under the new law, the Ballpark and Verizon Center sales tax rates remain at 4.25 percent in addition to the new general sales tax rate – 6 percent. This resulted in the sales tax rates of tangible personal property and services increasing to 10.25 percent. This legislation has now been amended and expanded.

Verizon Center

The rate of tax applicable to sales at the Verizon Center has been returned to 10 percent, effective October 1, 2009. Applicable ballpark sales taxes, however, should continue to be collected and remitted at the 10.25 percent rate.

Legitimate Theaters and other entertainment venues

The rate of tax applicable to sales by legitimate theaters and certain entertainment venues has been returned to 5.75 percent, effective October 1, 2009.

“Legitimate theaters” are venues where the live presentations of stage productions by professional performing artists, including but not limited to plays, musicals, or other performances involving the spoken word, are held.

The entertainment venues with the 5.75% sales tax rate are those entertainment venues with seating of 10,000 or more, other than the Verizon Center and Nationals ballpark.

This rate of tax on sales of food or beverages at legitimate theaters and other entertainment venues remains at 10 percent.

Sales tax returns are not being modified to accommodate the 5.75 percent rate applicable only to legitimate theaters and other entertainment venues. They should report 95.833 percent of their sales subject to the 5.75 percent tax in the 6 percent sales field.

Taxpayers filing electronically on eTSC shall, in like fashion, report 95.833 percent of their sales or charges subject to the 5.75 percent tax rate in the 6 percent field.

If the October sales and use tax return, due November 20, has already been filed, an amended tax return for the applicable period should be filed to report the lower liability.

For additional information, please contact OTR’s Customer Service Center at (202) 727-4TAX (4829).