

*Andrew Klein*

<b>FROM</b>	<b>NAME &amp; TITLE</b>	Andrew W. Kleine, Chief
	<b>AGENCY NAME &amp; ADDRESS</b>	Bureau of the Budget and Management Research Room 469, City Hall (396-4941)
	<b>SUBJECT</b>	City Council Resolution # 13-0194

CITY of  
**BALTIMORE**  
**MEMO**



**TO** The Honorable President and  
Members of the City Council  
C/O Karen Randle  
Room 409, City Hall

**DATE:** February 12, 2013

Attention: Karen Randle

CCB 13-194 – Ticket Agencies- Temporary Modifications  
This bill temporarily modifies certain provisions relating to service charges on the sale of tickets for admission to certain events; correcting, clarifying, and conforming related provisions; providing for a special effective date; providing for the automatic termination of this Ordinance on a date certain; and generally relating to ticket agencies and ticket sales.

**Analysis**

Maryland’s highest court has ruled that service fees charged by Ticketmaster and similar ticket sellers are in violation of Article 15, 21-2 of the City Code. This bill provides a stopgap measure to enable the City to proposed new legislation to replace the current legislation by repealing the current legislation until November 1, 2013. At that time, the current laws will go back into effect. New laws are anticipated to be enacted before November 1, 2013.

The Department of Finance recommends that the following issues be considered in the new legislation:

First, when ticket seller and event promotion are not an arm’s length transaction, there is concern that transfer pricing might occur and reduce the amount of revenue due the City. How should the City/State handle these situations in regards to the Admission and Amusement Tax?

Second, the City currently requires a license for ticket resellers. Should those regulations be re-written to encompass entities that are not within the Baltimore City jurisdiction? Currently, there is only a single entity registered with the City as a ticker seller.

**Fiscal Impact**

The current Admissions and Amusement Tax places the legal incidence on ...

*Comments*



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*“A person who has gross receipts subject to the admissions and amusement tax shall pay the tax on those gross receipts with the return that covers the period in which those receipts are earned. (4-301)”*

Whether this is a promoter, an event organizer or a ticket seller is not relevant to tax liability incurred. Vacating this law is not expected to impact the liability of taxes due or the payments made.

Cc: William Voorhees  
Harry Black  
Angela Gibson

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