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**THE ENTERTAINMENT TAX WILL HAVE A NEGATIVE IMPACT ON
NEVADA'S TOURISM ECONOMY**

The 10% Entertainment tax contained in Section 76 of SB 509 will have a negative impact on the State economy:

-- Impact of the March 2003 NASCAR Weekend, according to the LVCVA, was **\$133.4 million**. With economic multipliers (dollars tumbling through a community) the impact approaches **\$1 billion**.

-- A second NASCAR event in Las Vegas would be a MAJOR boon to the Nevada economy. A 10% tax on admissions to sports events would hinder Nevada's chances of having a second race each year.

-- The tax places Las Vegas Motor Speedway at a distinct competitive disadvantage among other speedways attempting to have a second race. Such speedways are in Phoenix, Los Angeles (metro), Chicago and Kansas City.

-- **GATE ADMISSIONS ARE THE MOST PROMINENT REVENUE STREAM FOR THE SPEEDWAY.** Other "entertainment venues" such as casinos have many other, and more significant, revenue streams.

-- Combined with an additional tax such as the uniform business tax, the net profit tax, sales tax on services, etc., the "live entertainment tax" would constitute a pyramid or double-hit against the Las Vegas Motor Speedway.

-- The 10% entertainment tax will significantly increase the cost of a trip to Las Vegas for race fans (and entertainment enthusiasts alike). The negative effect will mean fewer tourists, fewer jobs, and much less money brought into the community.

-- Currently contained within SB 509 is an exemption from the entertainment tax for boxing, based on the theory (among others) that our boxing industry needs to compete against other states seeking boxing events. The exact same proposition applies to an event like NASCAR, where the Speedway is competing against other states for this type of sporting event.