



State of Utah

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January 15, 2016

Name  
Address  
City, State Zip

### **RE: Verification of Sales and Use Tax – Lagoon Admissions**

Letter ID: LG2150000

Dear [Name]:

The Auditing Division is reviewing tax-exempt purchases of Lagoon admission tickets. Your business or organization, on one or more occasions during the calendar years of 2012 to 2015, claimed a sales tax exemption when purchasing Lagoon tickets.

Amounts paid or charged as admission or user fees to amusement, entertainment, recreation, exhibition, cultural, or athletic activities are subject to sales tax. Tax on the retail sale of admissions is sourced to the location of the activity or event, regardless of the ticket purchase location. Sales tax exemptions may apply to sales or purchases of admissions.

The purpose of this review is to determine whether your exemption was properly taken, whether your subsequent resale or use of these admission tickets was a taxable event, and if so, whether you have properly reported sales tax for the city of Farmington, Utah, where Lagoon is located.

#### **What you should do:**

- Read the enclosed **Examples** sheet, which explains how certain sales tax exemptions relate to sales and purchases of admissions.
- Review the **Worksheet** to verify its accuracy. The Worksheet details your tax-exempt purchases of Lagoon tickets during calendar years 2012 to 2014. If you purchased Lagoon tickets tax-exempt in 2015, those purchases must also be included in your review.
- Complete the **Summary**:
  - Check the correct box, indicating if your resale or use of Lagoon tickets results in additional sales tax due.
  - If you owe tax, calculate the correct tax and interest you need to pay.
  - Provide contact information, and sign and date the **Summary**.

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It is important you return the completed **Summary**, along with your payment of computed tax and interest, if applicable, by **February 16, 2016**. You may email your response to [selfreview@utah.gov](mailto:selfreview@utah.gov) or use the return envelope provided.

Tax self-reported and paid as part of this review will be subject only to interest. If you do not respond to this notice timely, we may assess late penalties in addition to tax and interest.

***What to do for future compliance if you are reselling tickets:***

If you continue purchasing Lagoon tickets tax-exempt, and you sell them, you should report your sales of the tickets using the Farmington jurisdiction on Schedule J of the sales tax return, Form TC-62M. If you do not already have a sales tax account, complete Form TC-69, available on our website at [tax.utah.gov/forms-pubs/forms](http://tax.utah.gov/forms-pubs/forms), to register for an account.

Alternatively, you may choose to pay the tax to Lagoon at the time you purchase them, rather than buying them tax-exempt and collecting tax on your own sale of the tickets.

***If you have questions or need additional time:***

Email us at [selfreview@utah.gov](mailto:selfreview@utah.gov) or contact one of the following from 8:00 a.m. to 5:00 p.m., Monday through Friday:

Matthew Duke	(801) 297-4670
Stephen Peterson	(801) 297-4758
Jim Thompson	(801) 297-4647

Thank you for your prompt attention and cooperation regarding this matter.

Respectfully,



Michael Christensen  
Tax Audit Manager

Enclosures