

REVENUE ESTIMATING CONFERENCE

Tax: Sales and Use Tax

Issue: Admission to Grand Prix Events

Bill Number(s): [Proposed Language](#)

Entire Bill: Proposed Language, F.S. 212.04(2)(a) Subsection 5

Partial Bill:

Sponsor(s): N/A

Month/Year Impact Begins: 7/1/2020

Date of Analysis: 2/28/2020

Section 1: Narrative

a. Current Law: F.S. 212.04(2)(a) Admissions to the following sporting events are exempt:

- National Football League championship game or Pro Bowl;
- Major League Baseball, Major League Soccer, National Basketball Association, or National Hockey League all-star game and Major League Baseball Home Run Derby held before the Major League Baseball all-star games;
- National Basketball Association all-star events produced by the National Basketball Association and held at a facility such as an arena, convention center, or municipal facility;
- Any semifinal or championship game of a national collegiate tournament or any postseason collegiate football game sanctioned by the National Collegiate Athletic Association.

b. Proposed Change: The proposed language adds “Formula One Grand Prix Race, including qualifying and support races held at the circuit 72 hours prior to the Grand Prix” to a list of events whose admission is exempt from sales tax.

Section 2: Description of Data and Sources

Market Research

Attendance Numbers: Formula1.com

Section 3: Methodology (Include Assumptions and Attach Details)

A tentative agreement is in place for a Miami Grand Prix for the Formula 1 calendar in 2021. The Miami Grand Prix race will be held on the Hard Rock Stadium land.

High-

The high assumes that the Miami Grand Prix will occur in the fall of 2021. The 2019 United States Grand Prix (Austin, TX) was used to estimate potential attendance and ticket prices for the Miami Grand Prix (see attached). The United States Grand Prix is raced on racetrack called Circuit of the Americas (COTA).

Medium-

The medium assumes the Miami Grand Prix attendance to be only 75% of the 2019 United States Grand Prix race day attendance. This assumption is based-on facility differences. COTA is a permanent racetrack with permanent seating. The Miami Grand Prix will be raced on an area that was designed to host football games with temporary seating. Additionally, COTA is a much larger facility (larger landmass) than the proposed race at the Hard Rock Stadium. Due to these differences, the analysis assumes that attendance capacity will be smaller for the Miami Grand Prix. The medium assumes that the Miami Grand Prix will occur in fall 2021

Low-

The low estimate is zero to negative indeterminate starting in FY2021-22. This analysis was unable to find any official estimates regarding expected attendance or ticket prices. The current plan is for the race to occur on a temporary track around the Hard Rock Stadium in Miami Gardens. This deal was finalized in late 2020 and it is possible that the event organizer has yet to finalize total seating and/or ticket prices. Additionally, the presence of a lawsuit might delay the race past 2021 or entirely cancel the race.

Section 4: Proposed Fiscal Impact

	High		Middle		Low	
	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	\$0.00m	(\$2.0m)	\$0.00m	(\$1.5m)	\$0.00m	\$0/(**)
2021-22	(\$2.0m)	(\$2.0m)	(\$1.5m)	(\$1.5m)	\$0/(**)	\$0/(**)
2022-23	(\$2.0m)	(\$2.0m)	(\$1.5m)	(\$1.5m)	\$0/(**)	\$0/(**)
2023-24	(\$2.0m)	(\$2.0m)	(\$1.5m)	(\$1.5m)	\$0/(**)	\$0/(**)
2024-25	(\$2.0m)	(\$2.0m)	(\$1.5m)	(\$1.5m)	\$0/(**)	\$0/(**)

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List of affected Trust Funds: Sales and Use Tax

Section 5: Consensus Estimate (Adopted: 02/28/2020): The Conference adopted the low estimate (zero/negative indeterminate). The zero impact assumes that the event won't happen within the next five years, which is unclear. If the event did occur, the impact could range between (\$1.5m) to (\$2.0m).

	GR		Trust		Local/Other		Total	
	Cash	Recurring	Cash	Recurring	Cash	Recurring	Cash	Recurring
2020-21	0.0	0/(**)	0.0	0/(**)	0.0	0/(**)	0.0	0/(**)
2021-22	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)
2022-23	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)
2023-24	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)
2024-25	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)	0/(**)

United State Grand Prix: Austin Texas		
	Total Attendance*	Attendance on Game Day
2017	258,000	94,000
2018	263,160	111,580
2019	268,000	128,000
* Includes non-exempt events like concerts.		

High Impact	
2019 Attendance Game Day	128,000
Price (Average Lowest 3 Prices)	\$255
Total Admission Cost	\$ 32,640,000.00
Sales and Use Tax (6%)	\$ 1,958,400.00

Medium Impact (75%)	
2019 Attendance Game Day	96,000
Price (Average Lowest 3 Prices)	\$255
Total Admission Cost	\$ 24,480,000.00
Sales and Use Tax (6%)	\$ 1,468,800.00

United State Grand Prix: Austin Texas Ticket Prices (All 3 Days)		
Ticket Type	Ticket Price Range	
	Low	High
Main Grandstand	\$595	\$1,295
Turn 1 Premium	\$455	\$675
Turn 15 Premium	\$455	\$675
Turn 12 Bleachers	\$345	\$395
Turn 9 Bleachers	\$295	\$295
Turn 4 Bleachers	\$295	\$295
General Admission	\$175	\$175
(3- Day Ticket Price)		
Source: f1experiences.com		