

FISCAL NOTE

SB 4049 - HB 3970

February 26, 2008

SUMMARY OF BILL: Exempts from sales tax the retail sale of authorized All American Football League (AAFL) goods and products sold within any county in which AAFL football games are played. Exempts the sales price of admissions and related fees for professional football games of the league played in this state.

ESTIMATED FISCAL IMPACT:

Foregone State Revenue -

Exceeds \$125,000/FY07-08

Exceeds 500,000/FY08-09 and Succeeding Years

Foregone Local Revenue -

Exceeds \$40,000/FY07-08

Exceeds \$160,000/FY08-09 and Succeeding Years

Assumptions:

- The sales tax exemption provided in this bill applies to state sales tax and local option sales tax.
- The AAFL is a new professional football league with games scheduled to begin in April 2008.
- Tennessee is currently anticipated to have at least one AAFL team. Such team is expected to play five home games in Knoxville in 2008 at the University of Tennessee's Neyland Stadium.
- No current state or local option sales tax revenue is being collected from the sale of AAFL tickets, goods and products at this time. Therefore, state and local governments will forego future sales tax revenue.
- Such amounts of foregone state and local government revenue are dependent upon several unknown factors such as average attendance of AAFL games played in Tennessee, the number of AAFL teams Tennessee could have in the future, the availability of AAFL goods and products, and the extent to which AAFL goods and products are sold in Knox County and in any other areas where AAFL games are played. As a result, determining precise estimates for such impacts is especially problematic. However, such foregone state revenue is reasonably

estimated to exceed \$500,000 per year. Foregone local government revenue is reasonably estimated to exceed \$160,000 per year.

- The first-year impact is estimated at 25 percent of the first full-year impact due to April 1, 2008 effective date.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "James W. White". The signature is written in a cursive style with a large initial "J" and a distinct "W".

James W. White, Executive Director

/rnc