



KEVIN PETERSEN

STATE REPRESENTATIVE

Chairman Macco and honorable members of the Assembly Committee on Ways and Means.

Thank you for the opportunity to testify on Assembly Bill 574 relating to the sales tax exemption for entertainment admission sales by nonprofit organizations.

A nonprofit organization includes a neighborhood association, church, civic group, garden club, social club, or similar organization not organized for profit where no part of the net earnings are to the benefit of any private shareholder or individual.

Under current law, if a nonprofit organization sells admissions to an event involving entertainment, the sale of those admissions are exempt from sales tax if the payment for the entertainment is no more than \$10,000 and certain other conditions are met. This bill increases the \$10,000 threshold to \$50,000.

Local nonprofits are the backbones of our communities, operated by neighbors and friends. It's easy to think of them only in terms of the gaps they fill or segments of the area they serve, but these mission-driven organizations play a far bigger role. Their vital work enriches our communities making them better places to live, raise families, and retire.