

M e m o r a n d u m**550.0110**

To: --- --- – Auditing

Date: January 22, 1975

From: Principal Tax Auditor

Subject: L--- B--- Resorts

This is in response to your letter of January 17 to me and your earlier letter of December 3 to Legal Counsel (DJH).

After reviewing your letter of January 17, we must conclude that the L--- B--- resorts should not be treated as “a place, the entrance to which is subject to an admission charge.” First, I doubt whether the Legislature intended to tax sales from a grocery store located within such a place. This fact alone makes us very reluctant to apply tax to such sales. Further, the fact that “courtesy passes” are issued for a limited time so that the retail facilities can be used by persons not availing themselves of the recreational facilities would provide a basis for not considering this area as being “a place”. Also, the report that “walk-ins” who will not use the facilities are not required to pay adds support to this position.

I believe a finding that sales by these grocery stores in the [---] area should be treated in the same manner as sales by any other grocery store is consistent with sound administration and legally supportable. Accordingly, I believe your past treatment of this matter is correct.

R. Nunes

RN:iw

cc: Mr. D. J. Hennessy
Mr. Glenn L. Rigby

Memorandum

550.0110

To: Mr. Glenn Bystrom

Date: May 29, 1996

From: Gary Jugum

Subject: Non-Attorney Opinions

I have reviewed Principal Tax Auditor's memorandum of January 22, 1975 to --- --- Auditing.

We are in agreement with his conclusion, as follows:

Grocery Store Located Inside Area Subject to Admission Charge. A grocery store is located within a resort area, entrance to which is subject to an admission charge. Limited term courtesy passes are issued so that persons can patronize retail facilities, but not utilize the recreational facilities. The grocery store is not regarded as a place to which admission is charged for purposes of applying tax to sales of food. 1/22/75

Gary Jugum