

Letter Rulings - LR 7824

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LR 7824**Zip Line Tours Subject To Sales Tax**

May 05, 2017

Dear Applicant:

This is a letter ruling issued by the Director of Revenue under Section 536.021.10, RSMo, and Missouri Code of State Regulations 12 CSR 10-1.020, in response to your letter dated March 18, 2017.

The facts as presented in your letter ruling request and from a review of your website are summarized as follows:

Applicant is the owner and operator of a zip line tour business located in Missouri. The zip line tour business is an environmentally friendly business whose mission is to offer visitors an exciting and eco-friendly adventure for the entire family to enjoy. The zip line tour business has three different courses it offers the public.

When a guest or a group signs up for a zip line tour, they arrive at Applicant's facility prior to the time of their reservation. After watching a brief safety video, the guest receives equipment and goes on an initial zip line that is the first leg of all three of the courses. When the guest or a group is on a tour, there will be two guides with them at all times. One guide is there to catch those coming off the zip line, and one is there to answer any questions on the sending platform.

ISSUE:

Are Applicant's sales of zip line tours subject to sales tax?

RESPONSE:

Yes. Applicant's sales of zip line tours are subject to sales tax.

Section 144.020.1(2), RSMo, imposes "A tax equivalent to four percent of the amount paid for admission and seating accommodations, or fees paid to, or in any place of amusement, entertainment or recreation, games and athletic events, except amounts paid for any instructional class[.]"

Applicant is selling zip line tours to the general public. The fees paid for the zip line tours are fees paid to a place of amusement, entertainment, or recreation and thus are subject to sales tax. Therefore, Applicant should collect and remit sales tax on its sales of zip line tours.

This letter ruling is binding upon the Department of Revenue with respect to the Applicant for three (3) years from the date of this letter and is subject only to statutory changes by the General Assembly and to changes in the interpretation of law by the courts or administrative tribunals. If a change occurs, the taxpayer who relies upon an outdated interpretation may be subject to additional taxes, interest and penalties, which may be imposed prospectively from the date of the change. For this reason, the interpretation set forth above should be reviewed on a regular basis. Please note that any change in or deviation from the facts as presented will render this ruling inapplicable.

Should additional information be needed, please contact Senior Counsel Spencer Martin, General Counsel's Office, Post Office Box 475, Jefferson City, Missouri 65105-0475 (Telephone (573) 751-0961), or me.

Sincerely,

Joel W. Walters