

**Questions and Answers House Bill 487 - Membership**

**1. Why are YMCA memberships susceptible to 6% sales tax?**

Due to the passing of HB 487 and the new law effective July 1, 2018, Y's will have to collect 6% sales tax on YMCA membership.

**2. If a participant is on scholarship or receives a discount do we collect sales tax for the entire amount or participant portion of membership?**

We only collect 6% sales tax on actual amount collected from the member.

**3. Are joining fees included in the 6% sales tax?**

Yes – initiation fees are classified as included and should be taxed.

**4. If a Y member chooses to pay in full prior to July 1<sup>st</sup> are they susceptible to 6% sales tax for the remaining portion of their membership?**

No – only payments on or after July 1<sup>st</sup> are susceptible to 6% sales tax.

**5. My Y collects corporate membership dollars from employers and from the employee – who pays the sales tax?**

They both pay 6% sales tax on their portion of the membership fee.

**6. If I rent a locker, pay for laundry services, or rent the Y facility for birthday parties or events, are those rentals and services required to pay 6% sales tax?**

Yes – any service and building rental pays 6%.

**7. Are guest fees included in HB 487?**

Yes – if receive access and admission to any of your facilities, pools, etc. – you do need to pay the 6% sales tax.