



DOAA

Georgia Department
of Audits & Accounts

Greg S. Griffin
State Auditor

January 20, 2022

Honorable Marcus Wiedower
State Representative
612-A Coverdell Legislative Office Building
Atlanta, GA 30334

SUBJECT: Fiscal Note
House Bill (LC 50 0242)

Dear Representative Wiedower:

The bill would amend O.C.G.A. to revise the exemption for sales of admissions to nonrecurring major sporting events. Specifically, it would extend the current sales tax exemption from December 31, 2022 until December 31, 2031. It would also amend the list of qualifying events to include FIFA World Cup matches should Georgia host any matches in 2026. (The bill does not specifically mention knock-out round matches, though they are included in the estimate.) The bill has no effective date but is assumed to be effective upon signing by the governor.

Impact on State Revenue

Georgia State University's Fiscal Research Center (FRC) noted that an estimate of the bill's fiscal impact is highly speculative given the uncertainty about the number and timing of many potential events. The only known event during the timeframe covered by the bill is the Chick-Fil-A Peach Bowl in the years that it is designated as a College Football Playoff semifinal game – December 2025 and 2029. FRC estimated the FY2026 revenue loss as \$1.4 million in state sale tax and \$1.7 million in local tax.

The attached appendix includes details of the analysis of other potential events that would qualify for the exemption if held in Georgia, including the FIFA World Cup and the various other events named in current law. State and local revenue losses from these events, if awarded to Georgia, would range from under \$1 million each for the NCAA Women's Final Four and the MLS All-Star Game to \$3.7–\$12 million for the state and \$4.5–\$14 million for local governments if Atlanta is selected as a host city for the World Cup.

Impact on State Expenditures

The Department of Revenue (DOR) would be able to implement the provisions of this bill with existing resources.

Respectfully,

Greg S. Griffin
State Auditor

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/mt

Analysis by the Fiscal Research Center

Under current law, to qualify for the major sporting event ticket exemption under O.C.G.A. §48-8-3(97), an event must be a nonrecurring major sporting event that is expected to generate over \$50 million in revenue, both directly from event admissions and from tourism spending broadly.

‘Nonrecurring’ is defined to mean not recurring more frequently than once every three years. ‘Major sporting event’ is defined such that certain named events qualify automatically, while others may qualify if determined by the commissioners of the departments of economic development and revenue to be a major sporting event. Determinations of event eligibility by the commissioners are subject to possible nullification by joint resolution of the state House and Senate, under conditions of subparagraph (E) of the referenced code section. Otherwise-qualifying events held on or before December 31, 2022, would qualify under current law.

Named qualifying events are:

- the National Football League championship game (Super Bowl);
- any semifinal game or championship game of a national collegiate tournament; and
- a Major League Baseball, Major League Soccer, or National Basketball Association all-star game.

The collegiate tournament category would include most prominently the College Football Playoffs (CFP), of which the Chick-fil-A Peach Bowl (hereafter the Peach Bowl) is a semifinal game every third year, and the NCAA men’s and women’s basketball Final Four. However, the collegiate tournament qualification is not limited to Division I football and basketball; other sports and non-Division I tournaments would also meet the definition.

Upon qualification of an event, sales that would be eligible for the exemption include admissions to the qualifying sporting event itself and also admissions to any related event sponsored by the same organizing entity as the major sporting event. For example, qualifying related events (for which admissions are sold) typically held in conjunction with the Super Bowl include Opening Night and the Super Bowl Experience (see Georgia Department of Revenue Policy Bulletin SUT 2018-08). Ticketed events typically held in conjunction with the NBA All-Star Game include the Rising Stars and Celebrity games, practice sessions, and NBA All-Star Saturday Night. Other named events have similar related events, tickets to which may be sold in packages with the main event or sold separately.

The proposed bill would extend the expiration date of the law from December 31, 2022, to December 31, 2031. In addition, it would add to the list of named, automatically qualifying events so as to include “any group, semifinal, or championship match of the FIFA World Cup.” Though not specifically mentioned, it is assumed that any so-called knock-out round match of the World Cup (e.g. the rounds of 32 and 16, and the quarterfinals) would also qualify, as would the 3rd-place match between the losing teams of the semifinals.

Taking current law named events first, Table 1 below lists the major events (excluding collegiate events other than CFP and NCAA Final Four), recent years in which each was held in Georgia, and the next open date at which Georgia could host the event, if awarded. In the case of the Peach Bowl, it is already scheduled to be a CFP semifinal game in 2022, 2025, and 2028, though the 2022 game will be held before the current-law expiration.

Table 1. Summary of Major Events Schedules

Event	Last in Georgia	Next in Georgia	Next Hosting Opportunity
MLB All-Star Game	2000*	NS	Jul-2024
MLS All-Star Game	2018	NS	Aug-2023
NBA All-Star Game	2021, 2003	NS	Feb-2025
NFL Championship	2019, 2000, 1994	NS	Feb-2026
NCAA Final Four:			
Men	2013, 2007, 2002**	NS	Apr-2027
Women	2003, 1993	NS	Apr-2027
NCAA CFP:			
Semi (Peach Bowl)	2022	Dec-2025	NA
Final	2018	NS	Feb-2026

NS = not scheduled, NA = not applicable

*2021 MLB All-Star Game scheduled for Atlanta, but moved

** 2020 NCAA Men's Final 4 scheduled for Atlanta, but cancelled

Table 2 shows estimated admissions sales and associated sales tax revenues for each of these events, if held in Georgia at the next hosting opportunity. Good data were scarce, especially with regard to ticket prices, for a variety of reasons. First, prices at initial sale are generally not recorded or, at least, are not archived in any known database. A “face value” is no longer generally shown on a printed ticket; tickets are often sold in packages along with other events or benefits like parking or food and beverages; and in several cases tickets are sold or distributed through multiple college athletic departments or professional franchises. Tickets may be sold and resold several times before the event, most often through online ticket brokers, and these prices are often cited in news reports, but these prices are not likely to be representative of average taxable values of the tickets. Thus, average ticket prices shown here are the best available estimates, based on ranges of face value or list prices of ticket packages as reported on various news or ticket-broker websites for recently held events of each type. These recent price estimates are grown with inflation, using actual inflation data from the Bureau of Labor Statistics and forecasts from Moody's Analytics, to the period of the next hosting opportunity.

Ticket sales also depend on assumed paid attendance, which is based on the stated capacity of the given venue and on reported attendance as a share of venue capacity for recent events of the same type. For example, recent MLB All-Star games have generally sold out their venues while the NBA All-Star Games over the last four non-pandemic years (2020 was before the pandemic ended the NBA season) have averaged 85 percent of capacity.

For multi-day ticket packages, including related events or multiple games as in the case of NCAA Final Four events, attendance is for the main event and is assumed to apply to related events. For example, the 75,000 attendance assumed for the NCAA Men's Final Four represents the total of ticket packages sold, which entitle the buyer to attend two semifinal games and the final.

For purposes of estimating local sales taxes, note that all events but the MLB All-Star Game, which would be held in Cobb County, would be held in the city of Atlanta. The current sales tax rates, 4.9 percent in Atlanta and 2.0 percent in Cobb County, are assumed for all periods.

Table 2. Estimated Revenue Effects at *Known* or Hypothetical Dates

(\$ in millions except ticket price)

Event	FY	Venue	Assumed Attendance	Avg Ticket	Ttl Ticket Sales	State Sales Tax	Local Sales Tax
MLB All-Star Game	2025	Truist	41,000	\$782	\$32.1	\$1.3	\$0.6
MLS All-Star Game	2024	MBS	72,000	\$158	\$11.4	\$0.5	\$0.6
NBA All-Star Game	2025	SFA	14,110	\$2,676	\$37.8	\$1.5	\$1.9
NFL Championship	2026	MBS	70,100	\$2,367	\$165.9	\$6.6	\$8.1
NCAA Final Four:							
Men	2027	MBS	75,000	\$2,237	\$167.8	\$6.7	\$8.2
Women	2027	MBS	30,000	\$356	\$10.7	\$0.4	\$0.5
NCAA CFP:							
<i>Semi (Peach Bowl)</i>	2026	MBS	75,000	\$472	\$35.4	\$1.4	\$1.7
Final	2026	MBS	75,000	\$984	\$73.8	\$3.0	\$3.6

For the FIFA World Cup, the 2026 cup was awarded to a joint bid from the U.S., Canada, and Mexico. Atlanta is one of 16 host city candidates in the U.S., of which 11 will ultimately be designated as host sites. Two sites in Canada and three in Mexico will also host matches. Due to the expanded format FIFA adopted for 2026 (48 teams and 80 matches rather than 32 teams and 64 matches previously), this is four more sites (five more cities) than used for the 2018 World Cup in Russia. If Atlanta is chosen as a host city, the number of matches held here and the value of ticket sales could vary widely, depending on which rounds it is chosen to host. In 2018, four Russian cities hosted only group-play matches (4 matches each), one hosted five matches, four hosted six, one host seven, and Moscow hosted 12 matches at two sites (seven at one and 5 at the other).

For 2026, it is assumed that all 16 cities will host group-play matches; there will be 16 team groups, each group playing three matches of group play. One city will host the opening match of group play, which also includes opening ceremonies and thus carries higher ticket prices than the other 47 group-play matches. The first stage of the knock-out round will include 32 of the 48 teams and thus 16 matches, so it is also assumed that each of the 16 cities will host one match. Thus, three regular group-play matches plus one round of 32 match is the minimum number of matches Atlanta would likely host, if it is chosen at all. As a likely maximum, Atlanta is assumed to host the final match; one match each in the quarterfinals, the round of 16, and the round of 32; two matches of regular group play; and the opening ceremony and match for a total of 7 matches. This is equal to the number of matches and similar to the stages of play held at Moscow's Luzhniki Stadium in 2018.

Prices used in the analysis are those projected for each stage of play in the bid documents for the United Bid of the U.S., Canada, and Mexico. Attendance for matches held in Atlanta, if any, is assumed to sell out Mercedes-Benz Stadium's state capacity for soccer. Table 3 presents the projected average ticket prices, the estimated total ticket sales on a per-match basis for each round, and the sales tax that would be due on those sales under current law, if such a match is held in Atlanta. Using these per-match estimates, if Atlanta is chosen as a host city, state and local sales tax revenues from ticket sales under the four-match minimum scenario would be about \$3.7 million and \$4.5 million respectively. Under the maximum scenario, these estimates would increase to \$11.5 million and \$14.1 million respectively. Such revenues, or revenue loss under the bill, would occur in FY 2027, if at all.

Table 3. 2026 FIFA World Cup Summary

Match Type	Avg Ticket	Ttl Ticket Sales	State Sales Tax	Local Sales Tax
Opening*	\$724	\$54.3	\$2.2	\$2.7
Group	\$305	\$22.9	\$0.9	\$1.1
Round of 32	\$309	\$23.2	\$0.9	\$1.1
Round of 16	\$324	\$24.3	\$1.0	\$1.2
Quarterfinal	\$468	\$35.1	\$1.4	\$1.7
Semifinal	\$913	\$68.5	\$2.7	\$3.4
3rd Place	\$609	\$45.7	\$1.8	\$2.2
Final	\$1,408	\$105.6	\$4.2	\$5.2

*Part of the group stage, with a higher cost due to opening ceremony