

**THE CITY OF NEW YORK  
DEPARTMENT OF FINANCE**

**NOTICE OF RULEMAKING**

Pursuant to the power vested in me as Commissioner of Finance by sections 389(b) and 1043 of the New York New York City Charter and section 11-1211(1) of the Administrative Code of the City of New York, I hereby promulgate the within amendment to the Rules Relating to the Horse Race Admissions Tax. These rules were published in proposed form on January 19, 2005. A hearing for public comment was held on February 22, 2005.

Martha E. Stark  
Commissioner of Finance

## **Rules Relating to the New York City Horse Race Admissions Tax**

Section 1. Title 19 of the Rules of the City of New York is amended by adding a new chapter 47 to read as follows:

### **Chapter 47**

#### **Horse Race Admissions Tax**

**§ 47-01. Obligation to collect and pay tax.** Chapter 12 of Title 11 of the of Administrative Code of the City of New York imposes a tax on all admissions to running horse race meetings conducted at race meeting grounds or enclosures located wholly or partly within the city of New York at the rate of three percent of the admission price. The racing association or corporation conducting a running horse race meeting must collect the tax and pay it to the Department of Finance, by depositing it to the account of the City in such bank or banks as may be designated by the City.

#### **§ 47-02. Returns and payment of tax.**

- (a) Every racing corporation or association that collects the tax described in section 47-01 of these Rules shall file with the Department of Finance such forms as shall be prescribed by the Department of Finance showing the taxes and the number of persons admitted to meetings conducted by the racing corporation or association during the periods covered by the return, together with any and all other information that the Department of Finance shall require to be included and reported in such return.
- (b) The horse race admission tax collected as described in section 47-01 of these Rules must be paid not later than 10 days following the close of the race meeting at which the tax was collected.
- (c) The horse race admission tax forms, described in paragraph (a) of this section, must be filed with the Department of Finance not later than 10 days following the close of the race meeting at which the horse race admission tax was collected.
- (d) For purposes of this section 47-02, the term “race meeting” means a period of time, typically a number of months, during which the racing corporation or association conducts horse races at a given location on most, typically five, days of each week.

*To illustrate:* During 2004, Aqueduct Racetrack holds three race meetings and Belmont Park holds two. At Aqueduct, the meetings are the Winter meeting, beginning January 1 and ending March 7; the Spring meeting, beginning March 10 and ending May 2; and the Fall meeting, beginning October 27 and ending December 31. The horse race admission tax collected during the meeting must be paid, and the required forms filed, no later than March 17 for the Winter meeting; May 12 for the Spring meeting; and January 10, 2005, for the Fall meeting. At Belmont, the meetings are the Spring/Summer meeting, beginning May 5 and ending July 25; and the Fall Championship meeting, beginning

September 10 and ending October 24. The horse race admission tax collected during the meeting must be paid, and the required forms filed, no later than August 4 for the Spring/Summer meeting, and November 3 for the Fall meeting.

## **Basis and Purpose of Rules**

The purpose of these rules is to provide taxpayers with guidance concerning when they must pay the Horse Race Admission Tax the (“HRAT”) and when they must file the associated return. Sections 11-1203(a) and 1204(a) of the New York City Administrative Code provide that taxpayers must pay the HRAT and file the HRAT returns "daily after each day of each race meeting” or "at such regular intervals as the commissioner of finance may require." Paying and filing on a daily basis would impose unnecessary administrative burdens on the City and on taxpayers. The operators of horse races conduct the races organized as meetings that typically last a number of months, during which time horse races occur most days at the race meeting grounds. The Department believes that using the close of the race meeting as a “regular interval” for payment of tax and filing of returns will be fair and less burdensome. The taxpayers are provided ten days after the close of the race meeting to review and assemble the necessary records and to pay the tax and file the returns.

**/s/Martha E. Stark**  
**Commissioner of Finance**