

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4194S.02I  
Bill No.: SB 652  
Subject: Taxation and Revenue - Sales and Use; Entertainment, Sports and Amusements  
Type: Original  
Date: January 11, 2022

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Bill Summary: This proposal provides a sales tax exemption for the sale of 2026 FIFA World Cup tickets to matches held in Jackson County.

**FISCAL SUMMARY**

	<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025	FY 2026
General Revenue*	\$0	\$0	\$0	\$0 or (\$240,710) to (\$2,521,728)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (\$240,710) to (\$2,521,728)</b>

\*The fiscal impact is ranged from \$0 (Kansas City is not selected to host a FIFA World Cup Match) OR a range of roughly \$105 per ticket (assuming seating capacity will remain at 76,416 as currently configured for American football) to \$1,100 per ticket.

	<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025	FY 2026
Park, Soil, and Water Fund	\$0	\$0	\$0	\$0 or (\$8,024) to (\$84,058)
Conservation Commission Fund	\$0	\$0	\$0	\$0 or (\$10,030) to (\$105,072)
School District Trust Fund	\$0	\$0	\$0	\$0 or (\$80,237) to (\$840,576)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (\$98,291) to (\$1,029,706)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 or (\$371,095) to (\$3,887,664)</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Office of Administration - Budget and Planning (B&P)** note this proposal may impact the calculation under Article X, Section 18(e).

**B&P** states this proposal would exempt all tickets sold to the 2026 FIFA World Cup in Jackson County between 6/1/2026 and 7/31/2026 from sales and use taxes.

B&P notes that Kansas City, MO is currently in the host city selection for the 2026 FIFA World Cup. B&P further notes that the final U.S. host cities have not yet been determined. As of 12/19/2021, there are currently 17 cities competing to host 11 U.S. FIFA World Cup Games.

B&P further notes that, if selected, Kansas City would host a 2026 FIFA World Cup game at Arrowhead Stadium, which has a capacity of 76,416. Therefore, B&P will assume that 76,416 tickets would be sold and qualify under this exemption.

In addition, the 2026 game ticket prices are still unknown. However, tickets for the 2022 FIFA World cup ranged from \$105 to \$210 for regular group matches and \$455 to \$1,100 for the finals. It is currently unknown which game would be hosted in Kansas City. Table 1 shows the estimated ticket sales under both game hosting scenarios.

Table 1: Estimated Total Ticket Sales

Total Estimated Ticket Sales	Low	High
Group Match	\$8,023,680	\$16,047,360
Finals	\$34,769,280	\$84,057,600

\*Site selection is still occurring. It is unknown if Kansas City will be selected or what game may be hosted in the city.

B&P notes that while the exemption would cover both FY26 (6/2026) and FY27 (7/2026), ticket sales for the 2022 games typically sold out within hours of release. Therefore, B&P will reflect the total potential loss as occurring in FY26 (6/2026).

For the purpose of this fiscal note, B&P will reflect three potential impacts. First, that Kansas City is not selected. Second, that Kansas City is selected to host a group match. Third, that Kansas City is selected to host the finals. Table 2 shows the potential revenue impact under all three scenarios.

ASSUMPTION (continued)

<b><u>State Funds</u></b>	FY 2026	
	Low Price	High Price
Not Selected	\$0	
OR		
Group Match		
General Revenue	(\$240,710)	(\$481,421)
Education	(\$80,237)	(\$160,474)
Conservation	(\$10,030)	(\$20,059)
DNR	(\$8,024)	(\$16,047)
Total State Revenues	(\$339,000)	(\$678,001)
OR		
Finals Match		
General Revenue	(\$1,043,078)	(\$2,521,728)
Education	(\$347,693)	(\$840,576)
Conservation	(\$43,462)	(\$105,072)
DNR	(\$34,769)	(\$84,058)
Total State Revenues	(\$1,469,002)	(\$3,551,434)

ASSUMPTION (continued)

Therefore, B&P estimates that if Kansas City is not selected to host a 2026 FIFA World Cup game, there will be no TSR or local sales tax impact. If Kansas City is selected to host a group match, GR could be reduced by (\$240,710 to \$481,421) and TSR could be reduced by (\$339,000 to \$678,001). If Kansas City is selected to host a final match, GR could be reduced by (\$1,043,078 to \$2,521,728) and TSR could be reduced by (\$1,469,002 to \$3,551,434).

Table 3: Estimated Local Sales Tax Impact

<u>Local Sales Tax</u>	FY 2026	
	Low Price	High Price
Not Selected	\$0	\$0
OR		
Group Match		
• Jackson County	(\$100,296)	(\$200,592)
• Kansas City	(\$260,770)	(\$521,539)
• Kansas City Zoological District	(\$10,030)	(\$20,059)
Group Match Total	(\$371,095)	(\$742,190)
OR		
Finals		
• Jackson County	(\$434,616)	(\$1,050,720)
• Kansas City	(\$1,130,002)	(\$2,731,872)
• Kansas City Zoological District	(\$43,462)	(\$105,072)
Finals Total	(\$1,608,079)	(\$3,887,664)

For the purpose of this fiscal note, B&P assumes that the sales tax rate for the Arrowhead Stadium would be applied to all ticket sales (in-person and online). B&P notes that the sales tax rate for the Arrowhead Stadium is 4.625%, with 1.25% for Jackson County, 3.25% for Kansas City, and 0.125% for the Kansas City Zoological District.

Therefore, B&P estimates that local sales tax could be reduced by (\$371,095 to \$742,190) if Kansas City hosts a group match game or by (\$1,608,079 to \$3,887,664) if Kansas City hosts a final match.

Officials from the **Department of Revenue (DOR)** state this proposal grants a state and local sales and use tax exemption for admission tickets to the 2026 FIFA World Cup soccer tournament. The tournament is scheduled to be played in July 2026. Historically tickets go on sale the month before and are sold out within hours. The FIFA association is in the process of choosing a site. The City of Kansas City is under consideration as one of the sites. It is unknown if they will get chosen and if chosen whether they would host a group match or final match.

ASSUMPTION (continued)

This sales tax exemption would be limited to June 1, 2026- July 31, 2026 in Kansas City for the tickets sales of the event. If Kansas City is not chosen then this proposal will not have a fiscal impact. If Kansas City is chosen, they are expected to play at Arrowhead Stadium; which has a seating capacity of 76,416. The average ticket prices for the 2022 World Cup show that group match tickets are between \$105- \$210, while final matches sell for \$455-\$1,100. Using this information we calculated:

Total Estimated Ticket Sales	Low	High
Group Match	\$8,023,680	\$16,047,360
Finals	\$34,769,280	\$84,057,600

The state sales and use tax rate is 4.225% broken down:

General Revenue 3%

School District Trust 1%

Conservation Commission .125%

Park, Soil & Water .1%

The impact will be either \$0 (not selected as a site) or the amounts projected below:

Estimated Impact by State Fund

Group Match	FY 2026	
State Fund	Low Price	High Price
General Revenue	(\$240,710.00)	(\$481,421.00)
Education	(\$80,237.00)	(\$160,474.00)
Conservation	(\$10,030.00)	(\$20,059.00)
DNR	(\$8,024.00)	(\$16,047.00)
Total State Revenues	(\$339,000.00)	(\$678,001.00)

OR

Estimated Impact by State Fund

Finals Match	FY 2026	
State Fund	Low Price	High Price
General Revenue	(\$1,043,078.00)	(\$2,521,728.00)
Education	(\$347,693.00)	(\$840,576.00)
Conservation	(\$43,462.00)	(\$105,072.00)
DNR	(\$34,769.00)	(\$84,058.00)
Total State Revenues	(\$1,469,002.00)	(\$3,551,434.00)

ASSUMPTION (continued)

Arrowhead Stadium is in the following taxing jurisdictions. Jackson County has a local sales tax rate of 1.25%, Kansas City has a 3.25% rate and the Kansas City Zoological District has a .0125% rate for a total of 4.625%. We will use the 4.625% for the fiscal note.

Estimated Local Sales Tax Impact FY 2026	Local Sales Tax	
Group Match	Low Price	High Price
Jackson County	(\$100,296.00)	(\$200,592.00)
Kansas City	(\$260,770.00)	(\$521,539.00)
Kansas City Zoological District	(\$10,030.00)	(\$20,059.00)
Group Match Total	(\$371,095.00)	(\$742,190.00)

OR

Estimated Local Sales Tax Impact FY 2026	Local Sales Tax	
Final Match	Low Price	High Price
Jackson County	(\$434,616.00)	(\$1,050,720.00)
Kansas City	(\$1,130,002.00)	(\$2,731,872.00)
Kansas City Zoological District	(\$43,462.00)	(\$105,072.00)
Final Match Total	(\$1,608,079.00)	(\$3,887,664.00)

DOR assumes this proposal will require programming changes estimated to be \$3,596.

**Oversight** notes that **DOR** assumes this proposal will require programming changes with an estimated cost of \$3,596. **Oversight** assumes the **Department of Revenue** is provided with core funding to handle a certain amount of activity each year. Oversight assumes **DOR** could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, **DOR** could request funding through the appropriation process. Officials from the **DOR** assume the proposal will have no fiscal impact on their organization.

**Oversight** notes that both **B&P** and **DOR** assume the proposal will have a negative fiscal impact on state revenue and local funds. Therefore, Oversight will reflect B&P's and the DOR's estimates and range their high and low impacts on the fiscal note as summarized in table below.

ASSUMPTION (continued)

Estimated Fiscal Impact to General Revenue

	FY 2023		FY 2024		FY 2025		FY 2026		FY 2027	
	Low	High	Low	High	Low	High	Low	High	Low	High
No Match	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Group Match	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$240,710)	(\$481,421)
Final Match	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	(\$1,043,078)	(\$2,521,728)

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other cities and counties were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

**Oversight** notes Arrowhead stadium is not configured for soccer and assume adjustments will need to be made regarding the width of the field to accommodate a FIFA match. Oversight is unsure if this will impact seating capacity. Oversight will range the fiscal impact from \$0 (Kansas City not selected) OR a range from \$105 per ticket to \$1,100 per ticket.



<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	FY 2026
<b>GENERAL REVENUE</b>				
Revenue loss - § 144.051 exemption of sales tax for FIFA World Cup Admission	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0 or (\$240,710) to (\$2,521,728)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUES</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0 or (\$240,710) to (\$2,521,728)</b>
<b>PARK, SOIL, WATER FUNDS (0614)</b>				
Revenue loss - § 144.051 exemption of sales tax for FIFA World Cup Admission	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0 or (\$8,024) to (\$84,058)
<b>ESTIMATED NET EFFECT ON PARK , SOIL AND WATER FUNDS</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0 or (\$8,024) to (\$84,058)</b>
<u>FISCAL IMPACT – State Government (continued)</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	FY 2026
<b>CONSERVATION COMMISSION FUNDS (0609)</b>				
Revenue loss - § 144.051 exemption of sales tax for FIFA World Cup Admission	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0 or (\$10,030) to (\$105,072)
<b>ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUNDS</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0 or (\$10,030) to (\$105,072)</b>
<b>SCHOOL DISTRICT TRUST FUND (0688)</b>				

<u>Revenue loss</u> - § 144.051 exemption of sales tax for FIFA World Cup Admission	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0 or (\$80,237) to <u>(\$840,576)</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT TRUST FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b>\$0 or (\$80,237) to <u>(\$840,576)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	FY 2026
<b>LOCAL GOVERNMENT</b>				
<u>Revenue loss</u> - § 144.051 exemption of sales tax for FIFA World Cup Admission -	\$0	\$0	\$0	\$0 or (\$371,095) to (\$3,887,664)
<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b>\$0 or (\$371,095) to <u>(\$3,887,664)</u></b>

### FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

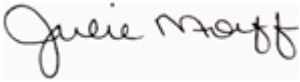
### FISCAL DESCRIPTION

Beginning June 1, 2026, and ending July 31, 2026, this act authorizes a sales tax exemption for the sale of tickets to matches of the 2026 FIFA World Cup soccer tournament held in Jackson County.

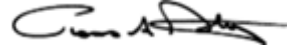
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

### SOURCES OF INFORMATION

Office of Administration - Budget and Planning  
Department of Revenue

A handwritten signature in black ink that reads "Julie Morff". The signature is written in a cursive, flowing style.

Julie Morff  
Director  
January 11, 2022

A handwritten signature in black ink that reads "Ross Strobe". The signature is written in a cursive, flowing style.

Ross Strobe  
Assistant Director  
January 11, 2022