

## **Ministry of Finance**

### **Decision no. 765 for the year 1999**

#### **In the executive regulation of law no. 24 for the year 1999**

#### **Of imposing a tax on the entry fee of theatres and other places of entertainment**

Minister of finance

After examining law no. 24 for the year 1999 of imposing a tax on the entry fee of theatres and other places of entertainment

And the decision of the minister of finance no. 177 for the year 1971 of determining the provisions and cases of applying the exemptions mentioned in law no. 61 for the year 1969

And the decision of the minister of finance no. 401 for the year 1972 of organizing the exemptions of the tax on theatres and other places of entertainment

And the decision of the minister of finance no. 104 for the year 1979 of modifying the fourth article of the ministerial decision no. 177 for the year 1971

And the decision of the minister of finance no. 73 for the year 1992 of determining applications, forms, records and entry tickets when applying the rules of law no. 221 for the year 1951 of imposing a tax on theatres and other places of entertainment.

And the decision of the minister of finance no. 1016 for the year 1996 of modifying the rules of the ministerial decision no. 52 for the year 1952 of executive regulation of law no. 221 for the year 1951 of imposing a tax on theatres and other places of entertainment

And after reading what RTA has presented

He decided that:

(Article 1)

The bodies that assess and collect the tax are responsible for estimating the tax on the entry fee of theatres and other places of entertainment mentioned in the table annexed to law no. 24 for the year 1999 according to their appropriate category as indicated in the table.

(Article 2)

If the beneficiary of the place, or performance, or party raises the prices of food and drinks or any other services provided so that they are higher than the stated prices, or if he gets more than the stated entry fee, this increase should be submit to entertainment places tax according to the same categories imposed on entry fee.

Specialized tax inspector estimates this increase according to the prices stated by MINISTRY OF Tourism concerning hotel and tourism installations in other cases they are guided by the prices decided by the official specialized bodies.

(Article 3)

The tax is estimated according to the entry fee of the place or the show or the party, and is fully estimated like reduced tickets. As for subscriptions; the tax is estimated on the basis of the whole value of the subscription regardless its validation period.

(Article 4)

The beneficiary or anyone who contracts with a normal or legal person- to hold a show or a party or a series of shows or parties- is to send a notification to the tax assessment and collection body- as stated in article no. 8 of law no. 24 for the year 1999, according to the attached form (form "1" cinema – theatre – funfair) and the entry fee (tax base) is to be stated in it. This notification is to be delivered by hand and a receipt is given. This should take place three days before the party, and in case any data mentioned in the notification is modified, the notification should be delivered at least 24 hours before the party.

In case of incidental parties; the notification could be delivered in a due time before the party is held. These notifications are registered in the specified record.

The bodies -responsible for assessing and collecting the tax in Cairo and Alexandria- in addition to the directorates of real estate tax in the governorates, continually inform RTA with the notifications that are delivered (permenant or temporal parties) and with any modifications in these notifications.

(Article 5)

The beneficiaries of the places, shows and parties that are submit to this law have to pay the amount of tax assigned by the tax assessment and collection body in the same day of entry, accompanied by a statement of the number of tickets sold of every category for every party, and the due tax on each of them and the additional fees annexed to the tax, according to the attached form (form "6" cinema – theatre –

funfair). "The same day of entry" mentioned above means within 24 hours since the beginning of the party or show.

(Article 6)

The beneficiaries are not allowed to let any of the audience enter the party or show unless with a ticket taken from a tickets book. The ticket should have a serial number and consist of three parts, one is fixed, and two separate parts that are presented when entering the place. One of the two separate parts remains with the spectator and the other is kept in a special box to be revised. Each of the three parts of the ticket should include the name of the place, the ticket's serial number, the nature of the place that could be entered with the ticket, the ticket's price, the amount of the due tax and its kind (cinema – theatre – funfair). The three parts are sealed with the seal of the tax assessment and collection body. As for the places where entry is registered by counting machines instead of tickets; the beneficiary shouldn't open these machines or transfer them unless delegates of the body that assigns and collect tax are present.

As for the places where entry is according to card system (magnetic cards) through electronic entry gates connected to computer; whose screens continually shows the number of the enterers , the category of entry fee, the tax and the attached additional fees; the beneficiary should inform the tax assessment and collection body when applying this system.

No change or modification in these systems should take place without informing that body. No deletion or change of any of the computer's daily data should occur unless in the presence of the delegates of that body. Work data are extracted daily and daily records are made showing tax payments for every activity separately through that data.

In case the computer data differ from real data according to the following up made by those who work in the field of applying law no. 24 for the year 1999; they have the right to carry out the necessary legal measurements according to the rules of this decision.

(Article 7)

Presenting the tickets to be sealed is through an application (form no. 2 cinema – theatre – funfair) in the dates stated in article 4 of this law.

The sealed serial numbers shouldn't be more than 50000, then new serial numbers begin (from 1: 50000).

(Article 8)

The tickets printed by the knowledge of the beneficiary that are sealed with the seal of the tax assessment and collection body are valid for use within one year starting from the date they were sealed or for a whole season. After that the remaining tickets should be delivered to be cancelled or to be renewed for other periods through the attached form (form "14": renewal or cancelling)

(Article 9)

The sold tickets are not to be given back. If one of the spectators wants to change his place which causes an increase in the entry fee; hence; in the tax; an additional ticket is given to him with the amount of increase. The additional ticket should indicate the amount of increase, the tax and the kind of tax (cinema – theatre – funfair). This additional ticket is taken out of a special tickets' book that fulfills the conditions mentioned in articles 6, 7 of this decision.

(Article 10)

The performances and parties which have the condition that their entry fee is no more than one pound are exempted of the tax mentioned in items no. 1, 5 of the sixth article of this law. It is submit to the tax according to the categories stated in the table attached to the previously mentioned law if the entry fee exceeds one pound.

(Article 11)

The following conditions should be fulfilled in order to enjoy the exemption mentioned in item 4 of article 6 of law no. 24 for the year 1999:

- 1- The party should be held by one of the following bodies:
  - Public artificial personalities.
  - Artificial personalities registered according to special laws, with the limit of one party per year.
- 2- The parties are held for humanitarian or social or cultural or athletic purposes that achieve a public interest. The exemption application should indicate these purposes in detail; also the beneficiary should be accurately mentioned in the application.
- 3- At least a percentage of 25% of the party's total income - before reducing any costs- should be allocated for achieving the previously mentioned purposes. The body that seeks the exemption should present a commitment to execute

this condition and to facilitate the work of those who are responsible for applying the rules of the law; so that they are able to do the necessary examination and revision; in order to allocate the previously mentioned percentage within a week at most starting from the date of holding the party.

- 4- Exemption applications should be presented to the ministry of finance accompanied by the opinion of the concerned minister, and the documents that prove the fulfillment of the two conditions mentioned in items 1, 2 at least two weeks before the party is held.
- 5- The minister of finance issues the exemption decision.

(Article 12)

The bodies that apply for the exemption should present the tickets which they prepare to be used in the exempted parties on the specified application a week before the party is held to the tax assessment and collection body; so that the tickets are sealed by the seal of an exempted party, besides carrying out all the decided regulating procedures in order to be able to use those tickets. These bodies should present the following documents:

- 1- The documents that prove that the last exempted party which was held for the benefit of the applying body has been settled.
- 2- A written declaration that the applying body would not give up or sell the party or series of parties - required to be exempted- to any other person or legal person. And also the body pledges to pay the full tax and its due attachments on the basis of the prices stated on the sold tickets in case the party or series of parties were not exempted.
- 3- The contracts made to organize the party or series of parties, including the contracts of the artists and others that participate in holding the party, along with declarations that shows the fees of the artists or others.

(Article 13)

The assessment and collection body should take the following procedures:

- 1- Informing the branch office of the tax on uncommercial professions and the sales tax branch office concerned with the names and fees of entrepreneurs and artists that participate in holding the party within two weeks at most since the date of holding the party.

- 2- Informing the concerned tax stamp branch office with these parties within a week at most starting from the date of issuing the exemption decision; in order to collect the due stamp tax on the advertisements of the party.
- 3- Charging the entertainment places tax inspector -within a month starting from the date of holding the exempted party- to inspect and revise the records and documents of the body that was granted the exemption. Also the inspectors should be confirmed that the percentage mentioned in item 3 of article 11 of this law has been assigned for the purposes for which the exemption was granted, and that there are documents proving that the percentage was paid to the bank in the account of the body responsible for those purposes.

(Article 14)

In case any of the previous conditions has been violated, the assessment and collection body should take all procedures to inform the concerned administrative bodies and The Central Auditing Agency (CAA).

(Article 15)

The compensation mentioned in article 9 of law no. 24 for the year 1999 means the increase mentioned in article 12 of the same law.

(Article 16)

Those who work in the field of applying law no. 24 for the year 1999; that have the competences of judicial receivers should carry out the necessary legal procedures concerning:

- 1- The beneficiary or anyone who contracts with a normal or juridical personality- to hold a show or a party or a series of shows without informing the concerned body as stated in article 8 of this law in the due time.
- 2- The person, normal or juridical, who does not present the necessary or sufficient documents which help in assessing and estimating the tax; that are required by the concerned employees, or he who gives untrue data.
- 3- Everyone who prevented or tried to prevent the employees from doing their work.
- 4- Everyone who sold or distributed unsealed taxes.

- 5- Everyone who used ways in the intention of tax evasion, or reduction or delay.
- 6- Everyone who violated any of the regulations of this law.

(Article 17)

Shows, parties and places that are submit to law no. 24 for the year 1999 are:

First: Cinema:

- 1- Shows of Egyptian films and the films that are produced by joint production (between Egyptians and foreigners). Also foreign films that are presented with the Egyptian films in one show. If more than one foreign film is presented; the show is submit to the tax of foreign films tax.
- 2- Shows of foreign films.

Every owner or beneficiary of a cinema has to keep the license of the censorship on artistry classified that shows the nationality of the presented film.

Second: Theatre and circus:

- 1- Theatrical shows
- 2- Opera and ballet shows.
- 3- Circus shows

Third: Parties, funfair .....Etc:

- 4- Amusement parks.
- 5- Public parties held in the clubs.
- 6- Skiing arenas.
- 7- Mechanic and electric games
- 8- Jugglery
- 9- Car race, boat race, flying, horse race and pigeon hunting places
- 1- Video shows with entry fee
- 2- Tea parties accompanied with music or dancing and mechanical or sound music parties. Also entering night clubs or casinos or hotels or floating boats

whenever unregistered musical or singing or dancing shows are being presented in them, or any other entertaining performances.

- 3- Disco parties and other various dancing parties
- 4- Parties of Symphonic Orchestra and bands of Arabic music.
- 5- Any other places of entertainment and amusement.

The following should be taken into consideration regarding the previously mentioned places:

- 1- They should not be among the places mentioned in the previous articles
- 2- They should be prepared for entertaining or amusing purposes
- 3- Entry of these places should be for public and for fee

(Article 18)

The attached forms; applications and records concerning the execution of law no. 24 for the year 1999 should be activated.

(Article 19)

The decisions of the minister of finance- no. 177 for the year 1971, 401 for the year 1972, 104 for the year 1979,73 for the year 1996 and 1016 for the year 1996 – are to be cancelled; also all the rules that violate this regulation are to be cancelled.

(Article 20)

This decision is to be published in "Alwakae'e Almasria" newspaper, and is to be activated starting from the date of activating law no. 24 for the year 1999 in 22/6/1999

Issued in 17/6/1999

Published in the formal newspaper "Alwakae'e Almasria' in 17/6/1999 issue no.132

Minister of finance

Dr.\Mohyee Eldeen Gahrib



---

The higher constitutional court has pronounced its judgment regarding term 11 of "third" of the table attached to law no. 24 for the year 1999 of imposing a tax on entry fee of theatres and other places of entertainment stating that it breaches the constitution. Also the court decided the invalidation of term 11 of "third" of the executive regulation of the previously mentioned law, which was issued by the decision of the ministry of finance no. 765 for the year 1999 at the public session held on Sunday 8<sup>th</sup> of February 2004 (17<sup>th</sup> of Zi Elhega 1424 higri) "in case no. 1433 for the year 2000 misdemeanor).