

Webster University
Missouri Entertainment Tax Policy
Effective November 1, 2005

The State of Missouri requires "any person, venue, or entity that pays compensation in excess of \$300 to a nonresident entertainer to deduct and withhold from that compensation an amount equal to 2 percent of the total compensation as a prepayment of tax." In these circumstances, the University is considered an "employer" and is subject to all penalties, interest, and additions to tax for failure to comply.

The 2% tax applies only to entertainers that are licensed by states other than Missouri. Ignore these instructions if the entertainer is a Missouri business. The factor used in determining this status is simply the remittance address. When the non-resident entertainer is paid, 2% should be withheld from the gross amount for the MO-2ENT tax. (It is not University policy to "gross-up" this payment)

Reminder: Ticket sales would generally be an indication that the programming was primarily entertainment, not primarily educational and the 2% should be withheld from their payment.

VOUCHER PREPARATION

Processing a payment to an entertainer, who should have 2% of the payment deducted for Non-Missouri Entertainer's Tax, will be accounted for as follows:

Debit: Departmental Expense	100%	
Credit: MO Entertainment Tax W/H (10-____-2100)		2%
Credit: Accounts Payable (10-____-2000)	98%	