

The tax benefits of hosting the Super Bowl and the MLB All-Star game: the Houston experience.

Dennis Coates

International Journal of Sport Finance(2006)1(4):239-52

Abstract

This study adds to our knowledge of the effects of mega-events like Super Bowls and Major League Baseball All-Star games by looking specifically at a long time-series of monthly sales tax revenues to assess the impact of these events on the host city's revenue. The analysis indicates that sales tax revenues in Houston may be statistically significantly higher as a result of the Super Bowl by as much as \$5 million over the time of the game and its preceding festivities. The MLB All-Star game has a much smaller effect on revenues, though possibly as much as \$1 million in extra sales tax revenues. Interestingly, there is no consistent evidence that these events raise the level of taxable sales activity, in total or in the retail or services sectors.