

**The Stadium Naming Rights Rebate Tax Bill (Stadium Rebate Bill)**

Taxable Estimated Naming Rights Exposure Values Index for Tax Year 2022

Rank	MLB Teams	Total MLB Attendance	2 Cents Per Person Attending	Total MLB Revenue	Indexed MLB Revenue	Taxable Naming Rights MLB Revenue	2 Cents Per Person plus Taxable Naming Rights MLB Revenue	Naming Rights Tax at 25%	Teams with corporate naming rights deals and rebate amount	MLB Teams	Teams without corporate naming rights deals	
1	LA Dodgers	3,861,408	\$77,228	\$581,000,000	\$510,266,628	\$19,900,398	\$19,977,627	\$4,994,407			LA Dodgers	
2	St. Louis	3,320,551	\$66,411	\$358,000,000	\$193,736,279	\$7,555,715	\$7,622,126	\$1,905,531				
3	NY Yankees	3,136,207	\$62,724	\$657,000,000	\$652,492,674	\$25,447,214	\$25,509,938	\$6,377,485			NY Yankees	
4	Atlanta	3,129,931	\$62,599	\$425,000,000	\$273,037,791	\$10,648,474	\$10,711,072	\$2,677,768	\$2,677,768	Atlanta		
5	San Diego	2,991,470	\$59,829	\$324,000,000	\$158,684,651	\$6,188,701	\$6,248,531	\$1,562,133	\$1,562,133	San Diego		
6	NY Mets	2,564,737	\$51,295	\$374,000,000	\$211,440,465	\$8,246,178	\$8,297,473	\$2,074,368	\$2,074,368	NY Mets		
7	Houston	2,688,998	\$53,780	\$407,000,000	\$250,399,651	\$9,765,586	\$9,819,366	\$2,454,842	\$2,454,842	Houston		
8	Toronto	2,653,830	\$53,077	\$294,000,000	\$130,659,070	\$5,095,704	\$5,148,780	\$1,287,195	\$1,287,195	Toronto		
9	Colorado	2,597,428	\$51,949	\$286,000,000	\$123,645,116	\$4,822,160	\$4,874,108	\$1,218,527				
10	Boston	2,625,089	\$52,502	\$513,000,000	\$397,813,605	\$15,514,731	\$15,567,232	\$3,891,808			Boston	
11	Chicago Cubs	2,616,780	\$52,336	\$451,000,000	\$307,466,628	\$11,991,198	\$12,043,534	\$3,010,884			Chicago Cubs	
12	San Francisco	2,482,686	\$49,654	\$421,000,000	\$267,922,442	\$10,448,975	\$10,498,629	\$2,624,657				
13	LA Angels	2,457,461	\$49,149	\$371,000,000	\$208,061,977	\$8,114,417	\$8,163,566	\$2,040,892			LA Angels	
14	Milwaukee	2,412,420	\$48,248	\$294,000,000	\$130,659,070	\$5,095,704	\$5,143,952	\$1,285,988	\$1,285,988	Milwaukee		
15	Seattle	2,287,267	\$45,745	\$363,000,000	\$199,185,698	\$7,768,242	\$7,813,988	\$1,953,497	\$1,953,497	Seattle		
16	Philadelphia	2,276,736	\$45,535	\$398,000,000	\$239,447,907	\$9,338,468	\$9,384,003	\$2,346,001	\$2,346,001	Philadelphia		
17	Washington	2,026,401	\$40,528	\$356,000,000	\$191,577,674	\$7,471,529	\$7,512,057	\$1,878,014			Washington	
18	Texas	2,011,381	\$40,228	\$366,000,000	\$202,491,628	\$7,897,173	\$7,937,401	\$1,984,350	\$1,984,350	Texas		
19	Chicago White Sox	1,976,344	\$39,527	\$276,000,000	\$115,149,767	\$4,490,841	\$4,530,368	\$1,132,592	\$1,132,592	Chicago White Sox		
20	Minnesota	1,801,128	\$36,023	\$267,000,000	\$107,762,442	\$4,202,735	\$4,238,758	\$1,059,689	\$1,059,689	Minnesota		
21	Arizona	1,605,199	\$32,104	\$276,000,000	\$115,149,767	\$4,490,841	\$4,522,945	\$1,130,736	\$1,130,736	Arizona		
22	Detroit	1,551,149	\$31,023	\$260,000,000	\$102,186,047	\$3,985,256	\$4,016,279	\$1,004,070	\$1,004,070	Detroit		
23	Baltimore	1,368,367	\$27,367	\$264,000,000	\$105,354,419	\$4,108,822	\$4,136,190	\$1,034,047			Baltimore	
24	Cincinnati	1,395,770	\$27,915	\$250,000,000	\$94,476,744	\$3,684,593	\$3,712,508	\$928,127	\$928,127	Cincinnati		
25	Cleveland	1,295,869	\$25,917	\$268,000,000	\$108,571,163	\$4,234,275	\$4,260,193	\$1,065,048	\$1,065,048	Cleveland		
26	Kansas City	1,277,986	\$25,560	\$260,000,000	\$102,186,047	\$3,985,256	\$4,010,816	\$1,002,704			Kansas City	
27	Pittsburgh	1,257,458	\$25,149	\$262,000,000	\$103,764,186	\$4,046,803	\$4,071,952	\$1,017,988	\$1,017,988	Pittsburgh		
28	Tampa Bay	1,128,127	\$22,563	\$248,000,000	\$92,971,163	\$3,625,875	\$3,648,438	\$912,109	\$912,109	Tampa Bay		
29	Miami	907,487	\$18,150	\$238,000,000	\$85,624,651	\$3,339,361	\$3,357,511	\$839,378	\$839,378	Miami		
30	Oakland	787,902	\$15,758	\$212,000,000	\$67,938,605	\$2,649,606	\$2,665,364	\$666,341			Oakland	
Teams with naming agreements but no Section 103(a) financing:				In 2022, Rebates to States and Municipalities Totaled					\$26,715,880			
San Francisco Colorado St. Louis				In 2022, Rebates to States and Municipalities Averaged					\$1,484,216			
				Highest Rebate -- Atlanta \$2.7 million								
				Lowest Rebate -- Miami \$839 thousand								
				Average Annual Revenue								
				\$344,000,000.00								

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## **The Stadium Naming Rights Rebate Tax Bill (Stadium Rebate Bill)**

### **Standings Naming Rights Rebate Taxes:**

**Stadium Naming Rights Rebate Standings Taxes are based on a percentage of revenue generated throughout the playoff year.**

**The taxable revenue pool is created from 0.05% of the total gate receipts from the first four World Series games;**

**0.05% of the total gate receipts from the first four games of each League Championship Series;**

**and 0.05% of the total gate receipts from the first three games of each Division Series;**

**and 0.05% of the total gate receipts from the first 2 games of each Wild Card Series.**

**The taxable revenue is then distributed as follows:**

**First Place Division Team: 36%;**

**Second Place Division Team: 24%;**

**Third Place Division Team: 24%;**

**Fourth Place Division Team: 13%;**

**Fifth Place Division Team: 3% each.**

**Each of Major League Baseball teams are taxed at a rate of 0.25% of their taxable revenue.**

### **Playoffs Naming Rights Rebate Taxes:**

**Stadium Naming Rights Rebate Playoff Taxes are based on a percentage of revenue generated throughout the playoff year.**

**The taxable revenue pool is created from 0.05% of the total gate receipts from the first four World Series games;**

**0.05% of the total gate receipts from the first four games of each League Championship Series;**

**and 0.05% of the total gate receipts from the first three games of each Division Series;**

**and 0.05% of the total gate receipts from the first 2 games of each Wild Card Series.**

**The taxable revenue is then distributed as follows:**

**World Series Winning Team: 36%; World Series Loser: 24%;**

**League Championship Series Losers (two teams): 24% each;**

**Division Series losers (four teams): 13% each;**

**Wild Card Series losers (four teams): 3% each.**

**Each of Major League Baseball playoffs teams are taxed at a rate of 0.25% of their taxable revenue.**

## **The Stadium Naming Rights Rebate Tax Bill (Stadium Rebate Bill)**

### **Taxable Estimated Naming Rights Exposure Values Index**

The index is the statistical measure of change in a representative group of individual data points and administered by the Internal Revenue Service to establish assessed naming rights values.

Individual data points used in the index include:

- 1) Attendance at the stadium -- the more people go to the stadium, the more people see the naming rights signage.
- 2) TV and internet revenue -- the more people watch teams on TV or the internet, the more people see the naming rights signage.
- 3) How a team finishes in the standings -- the better a team does, the more attention and exposure naming rights signage gets.
- 4) How far a team goes in the playoffs -- If a team goes to and performs well in the playoffs, for example, if a team goes to their respective League Pennant Playoffs or the World Series, it's naming rights exposure value gets skewed upward.

Using standings and playoff performance data points, the better a team does, the more tax revenue is returned to the respective municipal or state governments.

The index provides an incentive for local fans to cheer for their local teams.

- 1) Total attendance for each Major League Baseball Club is entered into the index.\*

Fans are exposed to stadium names both while approaching a stadium and while attending a professional baseball game in a stadium. Similarly, naming rights and signage exposure takes place on the internet where most businesses pay \$0.11 – \$0.50 per click.\*\* Each time a fan is in attendance at a Major League Baseball game, the value of the Naming Rights Exposure increases by \$0.02 (two cents).

Index values will be adjusted by the IRS every three years or as the IRS deems appropriate.

- 2) The total annual revenue for each Major League Baseball Club is entered into the index.\*\*\*

In Major League Baseball, 48% of the Clubs Net Local Revenue is subject to revenue sharing. The revenue sharing is distributed equally among all 30 teams, each receiving 3.3 percent. The goal of revenue sharing is to allow small market teams to compete with big market teams like the New York Yankees and the Los Angeles Dodgers.\*\*\*\* This index excludes 48% of the total annual revenue. The remaining 52% is viewed as Taxable Naming Rights Revenue and an index, based on the annual average revenue of the league, is used to adjust for differences in the revenue between Clubs.

The index is applied to Taxable Naming Rights Revenue and results in Indexed Taxable Naming Rights Revenue. The higher revenue teams have a proportionately higher naming rights taxable value. The lower revenue teams have a proportionally lower naming rights taxable value.

Naming rights are responsible for creating only a small portion of Major League Baseball Total Revenue. Seating/Suites/Team Sponsorships/Concessions/Parking and Other account for over 50 percent of Total Revenue. Roughly 25% is National Revenue and 23% of the total revenue is from local media advertising where images of stadium signage appear.\*\*\*\* The exogenous variability in Major League Baseball's Regional Sports Networks (RSN) make the proportion of Total Indexed Revenue Value attributed to naming rights volatile. The index uses an adjustment value of 0.039 percent when applied to the Indexed MLB Revenue Value.

In the tax year 2022 calculation, the average Taxable Estimated Naming Rights Exposure tax (\$1.5 million) amounts to less than half of one percent (0.0044) of the average Major League Baseball Club total 2022 revenue (\$344 million). Index values will be adjusted by the IRS every three years or as the IRS deems appropriate.

3 and 4) The Stadium Naming Rights Revenue Tax for playoffs and standings are based on the formulas set forth in the 2022-2026 Basic Agreement between the 30 Major League Clubs and the Major League Baseball Players Association, pages 38 through 40.\*\*\*\*

\*ESPN MLB Attendance Report - 2022  
[https://www.espn.com/mlb/attendance/\\_/year/2022](https://www.espn.com/mlb/attendance/_/year/2022)

\*\*Webfx How Much Does Google Ads Cost in 2024?  
<https://www.webfx.com/blog/ppc/much-cost-advertise-google-adwords/#>

\*\*\*Statista Revenue of Major League Baseball teams in the United States in 2022  
<https://www.statista.com/statistics/193645/revenue-of-major-league-baseball-teams-in-2010/>

\*\*\*\*Basic Agreement between the 30 Major League Clubs and the Major League Baseball Players Association, pages 38-40 and pages 145-147.  
[https://www.mlbplayers.com/\\_files/ugd/4d23dc\\_88609b8210174cfa9fee95fc2be279af.pdf](https://www.mlbplayers.com/_files/ugd/4d23dc_88609b8210174cfa9fee95fc2be279af.pdf)

\*\*\*\*\*Sportico HOW SPORTS TEAMS, LEAGUES AND OWNERS MAKE MONEY  
<https://www.sportico.com/feature/how-sports-teams-leagues-make-money-1234766931/>

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