

Revised 3/2/10

# 2010 ACM Electronic Linked Bingo/Tax Bill Proposal

## *Proposed Changes*

FY 2011 (effective July 1, 2010) - shift Pull Tab & Tipboard Tax from being paid up front to distributor to being paid monthly after a game is closed (1 time).

FY 2011 (effective July 1, 2010) - change Pull Tab & Tipboard Tax rate to 1.6%, change Combined Receipts Tax rates to 1.5%, 3.0%, & 4.5%.

FY 2012 (effective July 1, 2012) - change Pull Tab & Tipboard Tax rate to 1.4%, change Combined Receipts Tax rates to 1%, 2%, & 3%.

<i>Estimates +/- to base</i>	FY 2011	FY 2012
Lawful Gambling Tax	+6,000,000	+12,000,000
Pull Tab & Tipboard Tax (1 time shift)	- 1,750,000	
Pull Tab & Tipboard Tax	- 1,235,304	- 3,705,891
<u>Combined Receipts Tax</u>	<u>- 2,079,057</u>	<u>- 7,276,711</u>
<b><i>Tax Revenue to State</i></b>	<b>+ 935,639</b>	<b>+ 1,017,398</b>

## *From GCB Fiscal Note 4/7/09 for ACM's Electronic Linked Bingo Proposal*

### Expenditure and/or Revenue Formula

- 2,500 sites with 6 bingo machines grossing \$175 per day = \$2.6 million per day/\$950 million per year in gross receipts.
- **Based on current tax rate: \$950 million gross – \$808 million (85% payout of prizes) = \$142 million net x 8.5% tax = \$12 million tax receipts**
- Dedicated lawful gambling regulatory fee would show an increase of \$950,000 (.001 x \$950 million).
- Dedicated premise permit fees would show an increase of \$75,000 (\$150 annual fee x 500 sites)
- No significant increase in new organizations conducting lawful gambling is expected. For now 50 new organizations may apply for licenses: 50 x \$450 = \$22,500 in dedicated organization and premises permit fees
- Gambling Control Board regulatory staff would increase by 4
- \$9,125 net receipts per year x 6 machines = \$54,750 x 2,500 locations = \$137 million for charitable donations, expenses and taxes.

## *From Page 2 of General Fund - Fund Balance Analysis - February 2010 Forecast - March 2, 2010 (\$ in thousands)*

	11-09 Fcst	11-09 Plng Est	2-10 Fcst	2-10 Fcst	2-10 Fcst	2-10 vs 11-09	2-10 Plng Est	2-10 Plng Est	2-10 Plng Est	2-10 vs 11-09
	FY 10-11	FY 12-13	FY 10	FY 11	FY 10-11	FY 10-11	FY 12	FY 13	FY 12-13	FY 12-13
C01902 Lawful Gambling Tax	2,256	2,256	1,128	1,128	2,256	0	1,128	1,128	2,256	0
C01903 Pull Tab & Tipboard Tax	44,400	44,400	21,000	21,000	42,000	(2,400)	21,000	21,000	42,000	(2,400)
C01904 Lawful Gamb Comb Rcpts Tax	35,344	35,344	17,672	17,672	35,344	0	17,672	17,672	35,344	0
<b>TOTAL Lawful Gambling Taxes</b>	<b>82,000</b>	<b>82,000</b>	<b>39,800</b>	<b>39,800</b>	<b>79,600</b>	<b>(2,400)</b>	<b>39,800</b>	<b>39,800</b>	<b>79,600</b>	<b>(2,400)</b>

## *Current Lawful Gambling Taxes*

Lawful Gambling Tax (Net Receipts Tax) - 8.5 percent on the net receipts on bingo, raffles, and paddlewheels.

Pull Tab & Tipboard Tax (Gross Receipts Tax) - 1.7 percent of the gross receipts on pull-tab and tipboard games.

Combined Receipts Tax - A progressive tax calculated on the gross receipts from pull-tab games, tipboards, and interest. Current tiers are 1.7 percent, 3.4 percent, & 5.4 percent.