

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 1.5%, 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)	- 1,941,667	
Pull Tab & Tipboard Tax	- 1,374,700	- 2,749,400
Combined Receipts Tax	- 2,296,044	- 8,016,696
<i>Tax Revenue to State</i>	+ 387,589	+ 1,233,904

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 2009 Forecast - March 3, 2009 (\$ in thousands)

	11-08 Fcst	Actual	2-09 Fcst	2-09 Fcst	2-09 vs 11-08	11-08 Fcst	11-08 Plng Est	2-09 Fcst	2-09 Fcst	2-09 Fcst	2-09 vs 11-08	2-09 Plng Est	2-09 Plng Est	2-09 Plng Est	2-09 vs 11-08
	FY 08-09	FY 08	FY 09	FY 08-09	FY 08-09	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	2,366	872	1,242	2,114	(252)	2,988	2,988	1,242	1,242	2,484	(504)	1,242	1,242	2,484	(504)
C01903 Pull Tab & Tipboard Tax	48,472	24,872	23,300	48,172	(300)	47,200	47,200	23,300	23,300	46,600	(600)	23,300	23,300	46,600	(600)
C01904 Lawful Gamb Comb Rcpts Tax	41,305	22,099	19,458	41,557	252	38,412	38,412	19,458	19,458	38,916	504	19,458	19,458	38,916	504

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.