



## ACM Special Notice 8.4.10

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(Note New Fax #)

**Proudly Serving Charitable Gambling Organizations Throughout Minnesota**

Please note as of 6/30/10 there are 5,570 Minnesota Organizations on the IRS List of Organizations at Risk of Automatic Revocation Because They Failed to File as Required (see link on back page to view the list). **This list includes many Minnesota Charitable Gambling Organizations.**

## IRS Offers One-Time Special Filing Relief Program for Small Charities; Oct. 15 Due Date to Preserve Tax-Exempt Status

Video: [Small Tax Exempt Org Revised Filing Deadline](#) - View at: [www.youtube.com/watch?v=iLEcaDAoybc](http://www.youtube.com/watch?v=iLEcaDAoybc)

IR-2010-87, July 26, 2010

WASHINGTON — Small nonprofit organizations at risk of losing their tax-exempt status because they failed to file required returns for 2007, 2008 and 2009 can preserve their status by filing returns by Oct. 15, 2010, under a one-time relief program, the Internal Revenue Service announced today.

The IRS today posted on a [special page of IRS.gov](#) the names and last-known addresses of these at-risk organizations, along with guidance about how to come back into compliance. The organizations on the list have return due dates between May 17 and Oct. 15, 2010, but the IRS has no record that they filed the required returns for any of the past three years.

“We are doing everything we can to help organizations comply with the law and keep their valuable tax exemption,” IRS Commissioner Doug Shulman said. “So if you do not have your filings up to date, now’s the time to take action and get back on track.”

Two types of relief are available for small exempt organizations — a filing extension for the smallest organizations required to file [Form 990-N, Electronic Notice \(e-Postcard\)](#), and a voluntary compliance program (VCP) for small organizations eligible to file [Form 990-EZ](#), Short Form Return of Organization Exempt From Income Tax.

Small organizations required to file Form 990-N simply need to go to the IRS website, supply the eight information items called for on the form, and electronically file it by Oct. 15. That will bring them back into compliance.

Under the VCP, tax-exempt organizations eligible to file Form 990-EZ must file their delinquent annual information returns by Oct. 15 and pay a compliance fee. Details about the VCP are on the [IRS website](#), along with [frequently asked questions](#).

The relief announced today is not available to larger organizations required to file the Form 990 or to private foundations that file the Form 990-PF.

The IRS will keep today’s list of at-risk organizations on IRS.gov until Oct. 15, 2010. Organizations that have not filed the required information returns by that date will have their tax-exempt status revoked, and the IRS will publish a list of these revoked organizations in early 2011. Donors who contribute to at-risk organizations are protected until the final revocation list is published.

The [Pension Protection Act of 2006](#) made two important changes affecting tax-exempt organizations, effective the beginning of 2007. First, it mandated that all tax-exempt organizations, other than churches and church-related organizations, must file an annual return with the IRS. The Form 990-N was created for small tax-exempt organizations that had not previously had a filing requirement. Second, the law also required that any tax-exempt organization that fails to file for three consecutive years automatically loses its federal tax-exempt status. The IRS conducted an extensive outreach effort about this new legal requirement but, even so, many organizations have not filed returns on time.

If an organization loses its exemption, it will have to reapply with the IRS to regain its tax-exempt status. Any income received between the revocation date and renewed exemption may be taxable.

**View the IRS Press Release at: [www.irs.gov/newsroom/article/0,,id=225959,00.html](http://www.irs.gov/newsroom/article/0,,id=225959,00.html)**

***Additional IRS information and links on back page.***



*Distributed via e-mail to approximately 400 media outlets throughout Minnesota and current 201 Minnesota Legislators. Will also be sending to the Minnesota candidates running for state office this fall that we were able to obtain e-mail addresses for.*

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**(Note New Fax #)**

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***Proudly Serving Charitable Gambling Organizations Throughout Minnesota***

PRESS RELEASE  
July 28, 2010  
FOR IMMEDIATE RELEASE

Contact:  
King Wilson  
651-224-4533  
Mobile 651-402-1858

## **CHARITABLE GAMBLING CONTRIBUTIONS DOWN 57% FROM HIGH POINT**

### ***CHARITABLE GAMBLING SALES DROP BELOW \$1 BILLION***

Charitable contributions have dropped 57% from a high of over \$101.2 million in 1989 to \$43.3 million last year. The 2009 contributions fall below 1986's \$44.4 million charitable contribution level, the first full year charitable gambling was in existence.

Likewise, charitable gambling sales dropped in calendar year 2009 below the \$1 billion mark in gross receipts for the first time since 1988. The \$999 million in total sales in 2009 is a reduction of 6.7% over the past year and a reduction of 32.4% from a high of \$1.48 billion in 2000.

In addition, charitable gambling organizations paid nearly as much in state taxes as they contributed to the many worthwhile causes in their communities.

King Wilson, executive director of Allied Charities of Minnesota said, "This unprecedented drop in contributions and sales is clearly affecting the ability of non-profit/tax-exempt charitable gambling organizations to fulfill the needs in their local communities. Unfortunately, this drop in sales and contributions along with nearly half of all gross profits going to state taxes are taking its toll on the number of organizations that are conducting charitable gambling. We are seeing a steady number of organizations turning back their licenses and giving up on this community based fund-raising activity."

Wilson continued, "We have made attempts over the past several years at the legislative level to bring our industry into the 21st century by introducing electronic linked bingo into our market and to reduce and reform our onerous charitable gambling tax system. Unfortunately, our initiatives have not been enacted."

With an average tax rate of 20% before expenses, non-profit/tax-exempt charitable gambling organizations pay twice the tax rate for-profit corporations pay in this state after deducting expenses. Many non-profit/tax-exempt organizations pay more in charitable gambling taxes annually than they have left to contribute in their communities. And, the State of Minnesota remains the single largest beneficiary of charitable gambling in Minnesota.

Charitable gambling's onerous tax rates and system have driven many organizations out of the business. In CY 2008 and 2009 organizations paid almost as much in taxes to the state as they contributed to their local communities.

Non-profit organizations licensed to conduct charitable gambling have been in decline over the past years as well, from a high of nearly 1,900 organizations in 1988 to the present 1,250 level.

Wilson also indicated that the .08 alcohol limit and smoking ban have effected people coming into local bars, and combined with the recent economic conditions have resulted in a negative impact on licensed organizations ability to keep the profits flowing for local communities. This comes at a time when needs for veteran programs, youth activities, food shelves, etc. have never been greater in our communities.

END

*(Editors note: Please find attached our CY 2009 ACM Charitable Gambling Fact Sheet for additional reference)*

# Gambling Control Board Rules Process



Minnesota Gambling Control Board

Minnesota Gambling Control Board  
1711 West County Road B, Suite 300 South  
Roseville, Minnesota 55113  
651-639-4000

The five forms of lawful gambling are raffles, bingo, pull-tabs, tipboards, and paddlewheels.

## Rules Process

To return to the Minnesota Gambling Control Board home page, [click here](#).

**July 29, 2010** - A Public Advisory Committee meeting is scheduled for 9 am on Wednesday, August 18, 2010, at the Gambling Control Board's office in Roseville. To review the agenda, [click here](#). To review the proposed rules draft (152 pages), [click here](#).

We would welcome your written comments by August 13, 2010. Please respond to: Bernice Caruth, Gambling Control Board, 1711 West County Road B, Suite 300S, Roseville, MN 55113 or email at [bernice.caruth@gcb.state.mn.us](mailto:bernice.caruth@gcb.state.mn.us)

If you wish to be considered as a participant of the Public Advisory Committee (PAC), contact Bernice Caruth at [bernice.caruth@gcb.state.mn.us](mailto:bernice.caruth@gcb.state.mn.us) or 651-639-4030 with the following information:

- Name and address
- Affiliation
- Phone number
- E-mail address

View the GCB Rules Process at: [www.gcb.state.mn.us/RulesProcess.htm](http://www.gcb.state.mn.us/RulesProcess.htm)



Minnesota Gambling Control Board

Suite 300 South  
1711 W. County Road B  
Roseville, MN 55113  
651-639-4000

**Wednesday, August 18, 2010 – 9 a.m.**  
**Rules Public Advisory Committee**  
**to be held at:**  
**Gambling Control Board**  
**1711 W County Road B, Suite 300 South**  
**Roseville, MN 55113**

### Meeting Agenda

1. **Welcome. (Tom Barrett)**
  - Introduction of members
2. **Overview of process (Bernice Caruth)**
  - Legislative changes since 2007
  - Rule chapter revisions
3. **Presentation of written comments and suggestions (to draft rules)**
4. **Public Comment**
5. **Adjourn**

**Rules Committee meeting (Tuesday, September 14 – tentative)**



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## Special Notice 8.4.10

# IRS Announces One-Time Filing Relief for Small Exempt Organizations That Failed to File for Three Consecutive Years

The IRS is providing one-time relief to allow small tax-exempt organizations to come back into compliance and retain their tax-exempt status even though they failed to file for three consecutive years. Check the links below for helpful information about eligibility and requirements to participate.

- *One-Time Relief for Small Organizations That Failed to File for Three Consecutive Years* - View at: [www.irs.gov/charities/article/0,,id=225705,00.html](http://www.irs.gov/charities/article/0,,id=225705,00.html)
- *Filing Relief - 990-N filers* - View at: [www.irs.gov/charities/article/0,,id=225703,00.html](http://www.irs.gov/charities/article/0,,id=225703,00.html)
- *Filing Relief/Voluntary Compliance Program (VCP) - 990-EZ Filers* - View at: [www.irs.gov/charities/article/0,,id=225704,00.html](http://www.irs.gov/charities/article/0,,id=225704,00.html)
- *Automatic Revocation of Tax-Exempt Status - Overview* - View at: [www.irs.gov/charities/article/0,,id=217087,00.html](http://www.irs.gov/charities/article/0,,id=217087,00.html)
- *List of Organizations at Risk of Automatic Revocation Because They Failed to File as Required* - View at: [www.irs.gov/charities/article/0,,id=225889,00.html](http://www.irs.gov/charities/article/0,,id=225889,00.html)
- *What to Do If You Think IRS Records Are in Error* - View at: [www.irs.gov/charities/article/0,,id=225888,00.html](http://www.irs.gov/charities/article/0,,id=225888,00.html)
- *Frequently Asked Questions (FAQs)* - View at: [www.irs.gov/charities/article/0,,id=225954,00.html](http://www.irs.gov/charities/article/0,,id=225954,00.html)
- *Internal Directive: One-Time Filing Relief Program* - PDF file available online
- *News release* - View at: [www.irs.gov/newsroom/article/0,,id=225959,00.html](http://www.irs.gov/newsroom/article/0,,id=225959,00.html)

View this IRS page at: [www.irs.gov/charities/article/0,,id=225702,00.html](http://www.irs.gov/charities/article/0,,id=225702,00.html)

Please note as of 6/30/10 there are 5,570 Minnesota Organizations on the IRS List of Organizations at Risk of Automatic Revocation Because They Failed to File as Required. *This list includes many Minnesota Charitable Gambling Organizations.*

**Remember To VOTE In Minnesota's Primary  
Election On TUESDAY, AUGUST 10, 2010**

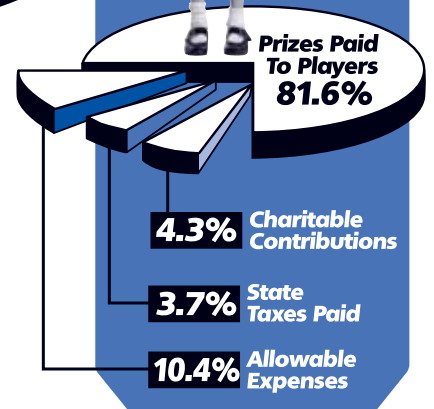
# Charitable GAMBLING



## Minnesota Charitable Gambling Activity - 2009

January 1, 2009 - December 31, 2009

<b>Gross Receipts (Sales)</b>	\$998,555,000	100.0%
<i>Less: Prizes paid to players</i>	\$815,130,000	81.6%
<b>Net Receipts (Gross Profit)</b>	\$183,425,000	18.4%
<i>Less: Allowable expenses related to gambling</i>	\$103,476,000	10.4%
<b>Net Profit (Lawful Purpose Expenditures)</b>	\$79,949,000	8.0%
Minnesota Charitable Gambling Taxes	\$36,622,000	3.7%
Charitable Contributions	\$43,327,000	4.3%



Source: Calendar Year Addendum to the Annual Report of the Gambling Control Board, Calendar Year 2009

# CHARITABLE GAMBLING FACT SHEET



- 1,256 licensed non-profit organizations
- 2,899 licensed sites
- 1,256 licensed gambling managers
- 93 licensed distributor salespersons
- 9 licensed manufacturers
- 13 licensed distributors
- 10,490 registered employees
- 1 linked bingo provider

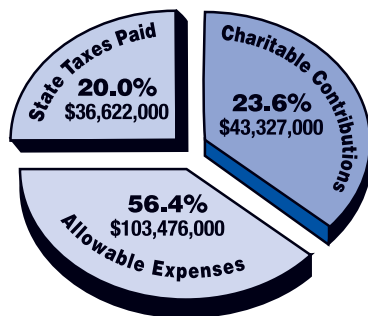
As of December 2009

## Total Lawful Purpose Expenditures 1985-2009: \$2,879,899,000

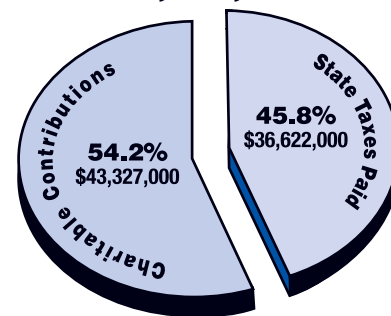
Calendar Year	Gross Receipts	MN Gambling Taxes	Charitable Contributions	Net Profit
2009	\$998,555,000	\$36,622,000	\$43,327,000	\$79,949,000
2008	\$1,070,311,000	\$40,788,000	\$43,520,000	\$84,308,000
2007	\$1,224,462,000	\$47,494,000	\$55,687,000	\$103,181,000
2006	\$1,288,115,000	\$50,713,000	\$62,497,000	\$113,210,000
2005	\$1,328,672,000	\$52,322,000	\$67,382,000	\$119,704,000
2004	\$1,402,373,000	\$56,146,000	\$72,674,000	\$128,820,000
2003	\$1,418,250,000	\$56,773,000	\$69,952,000	\$126,725,000
2002	\$1,427,550,000	\$56,562,000	\$67,051,000	\$123,613,000
2001	\$1,425,527,000	\$55,438,000	\$72,001,000	\$127,439,000
2000	\$1,477,919,000	\$60,550,000	\$73,645,000	\$134,195,000
1999	\$1,471,840,000	\$62,655,000	\$78,151,000	\$140,806,000
1998	\$1,433,349,000	\$63,192,000	\$77,624,000	\$140,816,000
1997	\$1,377,164,000	\$61,765,000	\$75,826,000	\$137,591,000
1996	\$1,359,192,000	\$65,219,000	\$72,129,000	\$137,348,000
1995	\$1,367,447,000	\$65,209,000	\$77,465,000	\$142,674,000
1994	\$1,305,816,000	\$59,875,000	\$74,763,000	\$134,638,000
1993	\$1,260,123,000	\$57,326,000	\$71,732,000	\$129,058,000
1992	\$1,263,536,000	\$56,903,000	\$78,614,000	\$135,517,000
1991	\$1,233,145,000	\$55,705,000	\$79,035,000	\$134,740,000
1990	\$1,284,510,000	\$52,629,000	\$93,500,000	\$146,129,000
1989	\$1,219,320,000	\$26,847,000	\$101,240,000	\$128,087,000
1988	\$856,514,000	\$17,509,000	\$78,708,000	\$96,217,000
1987	\$551,818,000	\$7,466,000	\$57,205,000	\$64,671,000
1986	\$386,123,000	\$8,226,000	\$44,428,000	\$52,654,000
1985	\$111,389,000	\$2,751,000	\$15,058,000	\$17,809,000
<b>TOTALS</b>	<b>\$29,543,020,000</b>	<b>\$1,176,685,000</b>	<b>\$1,703,214,000</b>	<b>\$2,879,899,000</b>

### Here is how your charitable dollars are spent...

#### 2009 Lawful Gambling Net Receipts \$183,425,000



#### 2009 Lawful Purpose Expenditures \$79,949,000



#### 2009 STATE TAXES PAID

1.7% Gross Receipts	\$15,383,000
8.5% Net Receipts	\$1,928,000
Combined Receipts	\$19,311,000
<b>Total Taxes</b>	<b>\$36,622,000</b>

#### 2009 GAMBLING ACTIVITIES

Pull-Tabs	91.2%	\$910,417,000
Bingo	6.0%	\$60,040,000
Paddlewheels	1.3%	\$13,390,000
Raffles	0.8%	\$7,919,000
Tipboards	0.7%	\$6,616,000
Interest Income	0.0%	\$173,000
<b>Totals</b>	<b>100%</b>	<b>\$998,555,000</b>