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Members,

Two more meetings in the books. Marshall on Wednesday. Detroit Lakes on Thursday. Thanks to the Marshall American Legion and Detroit Lakes Eagles for their hospitality. A lot of discussion about what to be working towards in the future, but the tax issue was the main topic. Differing opinions on how achievable the goal is. The only thing that I can guarantee in regards to tax reform is that if we do nothing, nothing will change. Our current tax structure is hurting our ability to serve and will eventually put us out of business if nothing is done to change it.

It is my belief that organizations cannot play their way into prosperity. The current combined receipts tax structure prevents that from happening. At the 9% rate (with average expenses) the charity gets 82% of what remains, the state gets 18%. At the 18% rate the charity gets 64% of what remains, the state gets 36%. At the 27% rate the charity gets 46% of what remains, the state gets 54%. At the 36% rate the charity gets 28% of what remains and the state gets 72%.

One only needs to look at FY2017 to see how current combined receipt rates hurt charities and their ability to serve; charities (on average) ended up with \$800 more dollars for their communities and missions while paying (on average) \$8000 more to the state in taxes.

Our path is not one to be envied. In FY2012 our tax rate was 21% of what was put in the bank. In 2017 it will be 25.5% of what put in the bank. My projections are that in 2022 our tax rate will be 30% of what we put in the bank.

I keep wondering how high our overall tax rate will need to be before we as a group have had enough and demand change. 50/50 does not seem to be it. Will 40/60 or 30/70 need to be the split before we have had enough? In FY2017 we were less than \$30 million away from all of us paying 36% (72% after expenses) on every dollar that we take to the bank, every day of the year.

It has become clear that organization members are not sure what to say when contacting their legislators in regards to issues facing charitable gaming in Minnesota. ACM Regional and At-Large directors are available to attend your monthly meeting to talk to your membership in regards to the importance of communicating with legislators, how to do that and the trends taking place in charitable gaming throughout Minnesota. Contact Al Lund, alliedcharitiesmn@gmail.com or 651-224-4533 with your request. You can find out who represents you [here](#).

No meetings are scheduled for next week. ACM has two more meetings scheduled. On Wednesday, September 6 we are at the American Legion in East Grand Forks. On Thursday, September 21 we are at the American Legion in Brainerd. No reservations are necessary. Meetings start at 5:30 and will be done by 7:30. Come and tell us what is on your mind in regards to charitable gaming in Minnesota.

Regards,
Al

East Grand Forks

Wednesday, September 6

American Legion Post 157
1009 Central Ave NW
East Grand Forks, MN 56721

Brainerd

Thursday, Sept. 21

American Legion Post 255
708 Front St.
Brainerd, MN 56401

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