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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 169

02/10/2025 Authored by Robbins, Harder, Warwas, Burkel and Schwartz
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; lawful gambling; subjecting all lawful gambling receipts to a
1.3 flat rate tax; repealing the combined net receipts tax; amending Minnesota Statutes
1.4 2024, section 297E.02, subdivision 1; repealing Minnesota Statutes 2024, section
1.5 297E.02, subdivision 6.

1.6 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.7 Section 1. Minnesota Statutes 2024, section 297E.02, subdivision 1, is amended to read:

1.8 Subdivision 1. **Imposition.** A tax is imposed on all lawful gambling other than ~~(1) paper~~
1.9 ~~or electronic pull-tab deals or games; (2) tipboard deals or games; (3) electronic linked~~
1.10 ~~bingo; and (4) items listed in section 297E.01, subdivision 8, clauses (4) and (5), at the rate~~
1.11 ~~of 8.5~~ five percent on the gross receipts as defined in section 297E.01, subdivision 8, less
1.12 prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by
1.13 section 297A.62 and all local taxes and license fees except a fee authorized under section
1.14 349.16, subdivision 8, or a tax authorized under section 349.213, subdivision 3.

1.15 The tax imposed under this subdivision is payable by the organization or party conducting,
1.16 directly or indirectly, the gambling.

1.17 **EFFECTIVE DATE.** This section is effective July 1, 2025.

1.18 Sec. 2. **REPEALER.**

1.19 Minnesota Statutes 2024, section 297E.02, subdivision 6, is repealed.

1.20 **EFFECTIVE DATE.** This section is effective July 1, 2025.

297E.02 TAX IMPOSED.

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under subdivision 1, a tax is imposed on the combined net receipts of the organization. As used in this section, "combined net receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for the fiscal year. The combined net receipts of an organization are subject to a tax computed according to the following schedule:

If the combined net receipts for the fiscal year are:	The tax is:
Not over \$87,500	eight percent
Over \$87,500, but not over \$122,500	\$7,000 plus 17 percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$12,950 plus 25 percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$21,700 plus 33.5 percent of the amount over \$157,500

(b) Gross receipts derived from sports-themed tipboards are exempt from taxation under this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed tipboard as defined in section 349.12, subdivision 34, under which the winning numbers are determined by the numerical outcome of a professional sporting event.