

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H. F. 393

DATE: February 23, 1999

Version: As Introduced

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Subject: 50 percent reduction in lawful gambling taxes

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Overview

This bill reduces taxes on lawful gambling by 50 percent:

Tax Current rate Proposed rate

Paddlewheel, raffles, bingo

9.5% of gross profit 4.75%

Pulltabs, tipboards

1.9% of ideal gross .95%

Combined receipts tax:

\$500-700,000

1.9% of amount over

\$500,000

.95%

\$700-900,000

\$3,800 plus 3.8% of

amount over \$700,000

\$1,900 + 1.9%

Over \$900,000

\$11,400 plus 5.7% of

amount over \$900,000

\$5,700 + 2.85%

- 1 Lawful gambling tax.** Reduces the tax on paddlewheels, raffles, and bingo from 9.5 percent of gross profit (gross receipts minus prizes) to 4.75 percent.
- 2 Pull-tab and tipboard tax.** Reduces the tax on pull-tabs and tipboards from 1.9 percent of ideal gross (gross receipts if all pull-tabs or tipboards in a package are sold) to .95 percent. Makes corresponding changes in the refunds for unsold pull-tabs and tipboards.
- 3 Combined receipts tax.** Reduces the tax on combined receipts (gross receipts from pull-tabs and tipboards received by an organization with more than \$500,000 in gross receipts from these sources inn a year) by 50 percent, according to the schedule shown in the Overview.
- 4 Effective date.** Makes sections 1 to 3 effective July 1, 1999.