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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 293

01/24/2019

03/07/2019

Authorred by Lien, Ecklund, Dettmer, Persell, Lueck and others
The bill was read for the first time and referred to the Committee on Commerce
Adoption of Report: Amended and re-referred to the Committee on Taxes

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A bill for an act

relating to taxation; lawful gambling; adjusting combined net receipts rates;
amending Minnesota Statutes 2018, section 297E.02, subdivision 6.

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

Section 1. Minnesota Statutes 2018, section 297E.02, subdivision 6, is amended to read:

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	nine <u>six</u> percent
Over \$87,500, but not over \$122,500	\$7,875 <u>\$5,250</u> plus 48 <u>12</u> percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$14,175 <u>\$9,450</u> plus 27 <u>18</u> percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$23,625 <u>\$15,750</u> plus 36 <u>24</u> percent of the amount over \$157,500

~~(b) On or before April 1, 2016, the commissioner shall estimate the total amount of revenue, including interest and penalties, that will be collected for fiscal year 2016 from taxes imposed under this chapter. If the amount estimated by the commissioner equals or exceeds \$94,800,000, the commissioner shall certify that effective July 1, 2016, the rates under this paragraph apply in lieu of the rates under paragraph (a) and shall publish a notice to that effect in the State Register and notify each taxpayer by June 1, 2016. If the rates under this section apply, 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	8.5 percent
Over \$87,500, but not over \$122,500	\$7,438 plus 17 percent of the amount over \$87,500, but not over \$122,500
Over \$122,500, but not over \$157,500	\$13,388 plus 25.5 percent of the amount over \$122,500, but not over \$157,500
Over \$157,500	\$22,313 plus 34 percent of the amount over \$157,500

~~(e)~~ (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.

EFFECTIVE DATE. This section is effective July 1, 2019.