

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 1435

(SENATE AUTHORS: NELSON)

DATE
02/08/2023

D-PG
744

Introduction and first reading
Referred to Taxes

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to taxation; lawful gambling; modifying the combined net receipts tax;
1.3 modifying the calculation for the stadium reserve; amending Minnesota Statutes
1.4 2022, sections 297E.02, subdivision 6; 297E.021, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2022, section 297E.02, subdivision 6, is amended to read:

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

1.15	If the combined net receipts	The tax is:
1.16	for the fiscal year are:	
1.17	Not over \$87,500	nine <u>seven</u> percent
1.18	Over \$87,500, but not over	\$7,875 <u>\$6,125</u> plus 18 <u>15</u> percent of
1.19	\$122,500	the amount over \$87,500, but not over
1.20		\$122,500
1.21	Over \$122,500, but not	\$14,175 <u>\$11,375</u> plus 27 <u>22</u> percent
1.22	over \$157,500	of the amount over \$122,500, but not
1.23		over \$157,500
1.24	Over \$157,500	\$23,625 <u>\$19,075</u> plus 36 <u>30</u> percent
1.25		of the amount over \$157,500

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

2.5 **EFFECTIVE DATE.** This section is effective for games reported as played after June
2.6 30, 2023.

2.7 Sec. 2. Minnesota Statutes 2022, section 297E.021, subdivision 2, is amended to read:

2.8 Subd. 2. **Determination of revenue increase.** By March 15 of each fiscal year, the
2.9 commissioner of management and budget, in consultation with the commissioner, shall
2.10 determine the estimated increase in revenues received from taxes imposed under this chapter
2.11 ~~over the estimated revenues under the February 2012 state budget forecast for that fiscal~~
2.12 ~~year. For fiscal years after fiscal year 2015, the commissioner of management and budget~~
2.13 ~~shall use the February 2012 state budget forecast for fiscal year 2015 as the~~ a baseline of:
2.14 (1) \$..... in fiscal year 2024; (2) \$..... in fiscal year 2025; and (3) \$..... in fiscal year 2026
2.15 and thereafter. All calculations under this subdivision must be made net of estimated refunds
2.16 of the taxes required to be paid.

2.17 **EFFECTIVE DATE.** This section is effective the day following final enactment.