State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 4007

03/03/2022 Authored by Bahner, Lislegard, Boe, Lillie and Klevorn
The bill was read for the first time and referred to the Committee on Taxes

A bill for an act

relating to taxation; lawful gambling; modifying the combined net receipts tax; amending Minnesota Statutes 2020, section 297E.02, subdivision 6.

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

Section 1. Minnesota Statutes 2020, 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~~ seven percent
Over $87,500, but not over $122,500	~~$7,875~~ $6,125 plus ~~18~~ 15 percent of the amount over $87,500, but not over $122,500
Over $122,500, but not over $157,500	~~$14,175~~ $11,375 plus ~~27~~ 23 percent of the amount over $122,500, but not over $157,500
Over $157,500	~~$23,625~~ $19,425 plus ~~36~~ 31 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.

EFFECTIVE DATE. This section is effective July 1, 2022.