

SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION

S.F. No. 3695

(SENATE AUTHORS: NELSON, Ruud and Anderson)		
DATE	D-PG	OFFICIAL STATUS
03/03/2022	5201	Introduction and first reading Referred to Taxes
03/16/2022	5371	Author added Ruud
03/21/2022	5482	Author added Anderson

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

2020, 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 2020, 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

1.16

for the fiscal year are:

1.17

Not over \$87,500

1.18

Over \$87,500, but not over

1.19

\$122,500

1.20

1.21

Over \$122,500, but not

1.22

over \$157,500

1.23

1.24

Over \$157,500

1.25

The tax is:

~~nine~~ seven percent

~~\$7,875~~ \$6,125 plus ~~18~~ 15 percent of  
the amount over \$87,500, but not over  
\$122,500

~~\$14,175~~ \$11,375 plus ~~27~~ 22 percent  
of the amount over \$122,500, but not  
over \$157,500

~~\$23,625~~ \$19,075 plus ~~36~~ 30 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 for games reported as played after June 30, 2022.

Sec. 2. Minnesota Statutes 2020, section 297E.021, subdivision 2, is amended to read:

Subd. 2. **Determination of revenue increase.** By March 15 of each fiscal year, the commissioner of management and budget, in consultation with the commissioner, shall determine the estimated increase in revenues received from taxes imposed under this chapter over ~~the estimated revenues under the February 2012 state budget forecast for that fiscal year. For fiscal years after fiscal year 2015, the commissioner of management and budget shall use the February 2012 state budget forecast for fiscal year 2015 as the~~ a baseline of: (1) \$..... in fiscal year 2023; (2) \$..... in fiscal year 2024; and (3) \$..... in fiscal year 2025 and thereafter. All calculations under this subdivision must be made net of estimated refunds of the taxes required to be paid.

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