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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FIRST SESSION

H. F. No. 1905

02/28/2019 Authored by Theis
The bill was read for the first time and referred to the Committee on Taxes

1.1 A bill for an act
1.2 relating to taxation; sales and use; providing an exemption for certain purchases
1.3 of equipment for lawful gambling; amending Minnesota Statutes 2018, sections
1.4 297A.68, subdivision 29; 297A.70, by adding a subdivision; 297E.02, subdivision
1.5 3.

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

1.7 Section 1. Minnesota Statutes 2018, section 297A.68, subdivision 29, is amended to read:

1.8 Subd. 29. Prizes. (a) Tangible personal property that will be given as prizes to players
1.9 in games of skill or chance is exempt if:

1.10 (1) the games are conducted at events such as community festivals, fairs, and carnivals
1.11 and if the events last less than six days; or

1.12 (2) the property is awarded as prizes in connection with lawful gambling as defined in
1.13 section 349.12.

1.14 (b) This exemption does not apply to property awarded as prizes in connection with
1.15 lawful gambling as defined in section 349.12 or the State Lottery.

1.16 EFFECTIVE DATE. This section is effective for sales and purchases made after June
1.17 30, 2019.

1.18 Sec. 2. Minnesota Statutes 2018, section 297A.70, is amended by adding a subdivision to
1.19 read:

1.20 Subd. 21. Lawful gambling equipment. The lease or purchase of gambling equipment,
1.21 as defined in section 349.12, subdivision 18, by an organization licensed to conduct lawful
1.22 gambling under chapter 349 is exempt.

2.1 **EFFECTIVE DATE.** This section is effective for sales and purchases made after June  
2.2 30, 2019.

2.3 Sec. 3. Minnesota Statutes 2018, section 297E.02, subdivision 3, is amended to read:

2.4 Subd. 3. **Collection; disposition.** (a) Taxes imposed by this section are due and payable  
2.5 to the commissioner when the gambling tax return is required to be filed. Distributors must  
2.6 file their monthly sales figures with the commissioner on a form prescribed by the  
2.7 commissioner. Returns covering the taxes imposed under this section must be filed with  
2.8 the commissioner on or before the 20th day of the month following the close of the previous  
2.9 calendar month. The commissioner shall prescribe the content, format, and manner of returns  
2.10 or other documents pursuant to section 270C.30. The proceeds, along with the revenue  
2.11 received from all license fees and other fees under sections 349.11 to 349.191, 349.211,  
2.12 and 349.213, must be paid to the commissioner of management and budget for deposit in  
2.13 the general fund.

2.14 (b) ~~The sales tax imposed by chapter 297A on the sale of pull-tabs and tipboards by the~~  
2.15 ~~distributor is imposed on the retail sales price.~~ The retail sale of pull-tabs or tipboards by  
2.16 the organization is exempt from taxes imposed by chapter 297A and is exempt from all  
2.17 local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

2.18 (c) One-half of one percent of the revenue deposited in the general fund under paragraph  
2.19 (a), is appropriated to the commissioner of human services for the compulsive gambling  
2.20 treatment program established under section 245.98. One-half of one percent of the revenue  
2.21 deposited in the general fund under paragraph (a), is appropriated to the commissioner of  
2.22 human services for a grant to the state affiliate recognized by the National Council on  
2.23 Problem Gambling to increase public awareness of problem gambling, education and training  
2.24 for individuals and organizations providing effective treatment services to problem gamblers  
2.25 and their families, and research relating to problem gambling. Money appropriated by this  
2.26 paragraph must supplement and must not replace existing state funding for these programs.

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