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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE NO. 2443

April 19, 2007

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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; imposing a gross receipts tax on card club operations;
1.3 reducing the combined receipts tax on gambling; amending Minnesota Statutes
1.4 2006, sections 240.30, by adding a subdivision; 297E.02, subdivision 6.

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

1.6 Section 1. Minnesota Statutes 2006, section 240.30, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 11. **Gross receipts tax.** As a condition of operating a card club under this
1.9 section, the licensee must pay a gross receipts tax to the commission equal to 6.5 percent
1.10 of the gross receipts, less any refunds, for charges imposed under subdivision 4. Payment,
1.11 collection, and administration of the tax must be made in the same manner and under the
1.12 terms provided under section 240.15 for the tax on pari-mutuel pools. The commission
1.13 shall deposit all of the revenues from the tax in the state treasury and amounts deposited
1.14 must be credited to the general fund. The amount of the tax does not reduce the obligation
1.15 to set aside revenues from the card club under section 240.135.

1.16 **EFFECTIVE DATE.** This section is effective for gross receipts received after
1.17 June 30, 2007.

1.18 Sec. 2. Minnesota Statutes 2006, section 297E.02, subdivision 6, is amended to read:

1.19 Subd. 6. **Combined receipts tax.** In addition to the taxes imposed under
1.20 subdivisions 1 and 4, a tax is imposed on the combined receipts of the organization. As
1.21 used in this section, "combined receipts" is the sum of the organization's gross receipts
1.22 from lawful gambling less gross receipts directly derived from the conduct of bingo,
1.23 raffles, and paddlewheels, as defined in section 297E.01, subdivision 8, for the fiscal year.

2.1 The combined receipts of an organization are subject to a tax computed according to
2.2 the following schedule:

2.3	If the combined receipts	The tax is:
2.4	for the fiscal year are:	
2.5	Not over \$500,000	zero
2.6	Over \$500,000, but not	
2.7	over \$700,000	1.7 percent of the amount
2.8		over \$500,000, but not
2.9		over \$700,000
2.10	Over \$700,000, but not	
2.11	over \$900,000	\$3,400 plus 3.4 percent
2.12		of the amount over
2.13		\$700,000, but not over
2.14		\$900,000
2.15	Over \$900,000	\$10,200 plus 5.1 ...
2.16		percent of the amount
2.17		over \$900,000

2.18 **EFFECTIVE DATE.** This section is effective July 1, 2007.