

Lawful Gambling Distributor Instructions

Includes Instructions for Submitting the Monthly Inventory Sales File and Annual Certified Physical Inventory File.

For Lawful Gambling Tax laws, see Minnesota Statutes, Chapter 297E at www.leg.state.mn.us.

What's New

New Game Types. We have updated the monthly inventory sales file to include a new game type, sports-themed tipboards (SB). Use the new game type SB and transaction code 02 for sports-themed tipboards. See Transaction Codes on page 2 for more detail on other transaction types.

Reminders

Electronic Linked Bingo. Use transaction code 32 for electronic bingo activity conducted by each organization during the month.

Electronic Pull-tabs. Use transaction code 09 for electronic pull-tab games in play. Only complete the Date Game Removed when the organization closed the game.

Submit Files Through e-Services. When you submit your file through our e-Services system, you can view the file status, send web messages, and view letters.

Amend Returns. To amend a return, resubmit the entire file with any necessary corrections and check the Amend checkbox.

Physical Inventory. You are required to electronically file an annual certified physical inventory in the same file layout as the confirming purchases (Minnesota Statute 297E.05, subd. 5). Only include the actual games and equipment in inventory at your fiscal year end.

Ideal Gross and Ideal Prizes for Electronic Pull-tabs. Ideal gross and ideal prizes should change to reflect any reported play activity.

Electronic Pull-tabs with No Activity During Month. You do not need to include electronic pull-tabs with no activity in the monthly sales file.

Gambling Equipment. Do not include leased gambling equipment in your file.

Missing Games Taxed at 6 percent. Missing games are taxed at 6 percent. This includes bingo (paper or electronic), raffles, paddletickets, tipboards, sports-themed tipboards, and pull-tabs (paper or electronic).

Distributors must report the games as missing and remit a tax of 6 percent of the ideal gross of the sheets or games.

Approval Process for Destroying Games. You must contact the Department of Revenue to request permission to destroy any pull-tabs, tipboards, sports-themed tipboards, paddletickets, raffle boards, and bingo paper or placards. Send all sales for all game types to the department in one file. We will provide instructions on how to proceed.

License Number. Your license number must be registered with the Department of Revenue. If an incorrect license number is entered in your file, it will be rejected. The license number should contain four digits and is assigned to you by the Gambling Control Board.

Duplicate Files. If you receive an error message stating that your file was a duplicate, check the filing status of your previous file to see if it was Completed or Rejected. If it was completed, you do not need to resubmit. If it was rejected, you need to make any necessary corrections to the file and resubmit. Do not check the Amend checkbox. Your original file was never accepted and does not exist in our system.

Rejected Files. If you receive an error message stating that your file was rejected, make any necessary corrections to the file and resubmit. Do not check the Amend checkbox. Your original file was never accepted and does not exist in our system.

File Validation. Prior to sending your XML file, validate your file against the schema to determine if errors exist.

Game Type Validation. Remember to include the correct game type in your file. Your file may be rejected if you fail to do so.

Number of Bingo Sheets. You must report the monthly inventory sales file to include the number of bingo sheets for all forms of paper bingo in the inventory sales file under Number of Sheets.

Ideal Gross Receipts and Ideal Prizes. You must report the ideal gross receipts and

Definitions

Gambling Product

“Gambling product” means bingo hard cards, bingo paper sheets, linked bingo paper sheets, or electronic linked bingo games; pull-tabs; electronic pull-tab games; tipboards; sports-themed tipboards; paddletickets and paddleticket cards; raffle tickets; or any other ticket, card, board, placard, device, or token that represents a chance, for which consideration is paid, to win a prize. (Minnesota Statute 297E.01, subd.7)

Gambling Equipment

Gambling equipment means bingo hard cards or paper sheets, including linked bingo paper sheets; paper and electronic pull-tabs, jar tickets, paddletickets and paddleticket cards, tipboards, sports-themed tipboards, tipboard tickets, promotional tickets that mimic a pull-tab or tipboard, application software and computer programs provided by a licensed manufacturer in the production, play and reporting of board-approved electronic pull-tab games or electronic bingo games, raffle boards, bingo placards, paddlewheels, paddlewheel tables, devices for selecting bingo numbers, electronic bingo and pull-tab devices, pull-tab dispensing devices, and programmable electronic devices that have no effect on the outcome of a game and are used to provide a visual or auditory enhancement of a game. (M.S.349.12, subd. 18)

ideal prizes for bingo placards with paper attached in the inventory sales file under Ideal Gross Receipts and Ideal Prize. For all other forms of paper bingo, you must include the Ideal Gross Receipts. The Ideal Prize field is not required.

Before You Start

You need a federal tax ID number, Minnesota tax ID number, and a license number. You must provide these numbers on all monthly returns and inventory files you submit to the department.

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Federal Tax ID Number. Your federal ID number is also known as your federal employer identification number (FEIN), and is used to identify a business entity. If you do not have one, you can apply on the IRS website at www.irs.gov (search for employer ID number) or call 1-800-829-4933.

Minnesota Tax ID Number. Your Minnesota tax ID number is the seven-digit number assigned to you when you register with the Department of Revenue. If you do not have one, register for one online at www.revenue.state.mn.us or call 651-282-5225 or 1-800-657-3605.

License Number. Your Minnesota license number is a four-digit number assigned to you when you register and apply with the Minnesota Gambling Control Board. If you do not have one, apply for one by contacting the Minnesota Gambling Control Board at 651-639-4000.

Permit number. The Department of Revenue will issue a Distributor Tax permit. The permit number is the same number as the license number assigned by the Gambling Control Board.

Who is Required to File?

If you sold or are in possession of gambling product or gambling equipment in Minnesota, you are required to electronically file (M.S. 297E.01, subd. 7 and M.S. 349.12, subd. 18):

- a monthly inventory sales file to report all sales and credits of gambling products and gambling equipment for bingo (paper, placards and electronic), paddletickets, pull-tabs (paper and electronic), raffle boards, tipboards, and sports-themed tipboards that occurred during the month
- an annual certified physical inventory as of your fiscal year end

Due Dates and Extensions

The regular due date for electronically filing your monthly inventory sales file is the 20th day of the following month.

The regular due date for electronically filing your annual certified physical inventory is 30 days after your fiscal year end.

When the due date falls on a Saturday, Sunday or legal holiday, files electronically made or received by the next business day are considered timely.

If we receive your file late, we will notify the Gambling Control Board.

If you cannot submit your file by the regular due date, contact the department.

Inventory File Instructions

All licensed gambling distributors conducting business in Minnesota must submit the following files to the department:

- a **monthly** inventory sales file to report all games and equipment sold to businesses and individuals during the month; and
- an **annual** certified physical inventory certifying all games and equipment in inventory as of your fiscal year end.

You must submit these two inventory files separately in an XML format using our standards and requirements. If you do not follow our standards and requirements, we will reject the files.

The schema files are available on our website. Go to www.revenue.state.mn.us and enter **distributor** in the Search box then select Distributor Requirements.

The annual certified physical inventory file must be in the same format and use the same elements as the manufacturer sales file. You are required to:

- enter your name and tax ID numbers on the manufacturer sales file header; and
- enter the fiscal year end date into the invoice field; and
- enter 00 as the transaction code, which means you are certifying the game and/or equipment in inventory.

Use the following transaction codes and schema key when you complete the inventory files.

Transaction Codes

- 02 = Distributor sold game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or paper pull-tab) to a licensed lawful gambling organization. Use this code with lawful gambling as the business type.
- 04 = Licensed lawful gambling organization returned an unplayed game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to a distributor. Use this code with lawful gambling as the business type.
- 07 = Licensed lawful gambling organization returned a defective (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to a distributor. Use this code with lawful gambling as the business type.

- 09 = Distributor sold electronic pull-tab game to a licensed lawful gambling organization. Use this code with lawful gambling as the business type.
- 22 = Distributor sold game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to an exempt organization. Use this code with exempt organization as the business type.
- 24 = Exempt organization returned an unplayed game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to a distributor. Use this code with exempt organization as the business type.
- 27 = Exempt organization returned a defective game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to a distributor. Use this code with exempt organization as the business type.
- 32 = Distributor sold bingo paper, placard or electronic bingo game to a licensed lawful gambling organization. Use this code with lawful gambling as the business type.
- 34 = Licensed lawful gambling organization returned unplayed bingo paper, placard or electronic bingo game to a distributor. Use this code with lawful gambling as the business type.
- 37 = Licensed lawful gambling organization returned defective bingo paper, placard or electronic bingo game to a distributor. Use this code with lawful gambling as the business type.
- 42 = Distributor sold bingo paper, placard or electronic bingo game to an exempt organization. Use this code with exempt organization as the business type.
- 44 = Exempt organization returned unplayed bingo paper, placard or electronic bingo game to a distributor. Use this code with exempt organization as the business type.
- 47 = Exempt organization returned defective bingo paper, placard or electronic bingo game to a distributor. Use this code with exempt organization as the business type.

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- n. 72 = Distributor sold game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to an Indian Tribe. Use this code with Indian Tribal as the business type.
- o. 74 = Indian Tribe returned unplayed game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to a distributor. Use this code with Indian Tribal as the business type.
- p. 77 = Indian Tribe returned defective game (paddlewheel, tipboard, sports-themed tipboard, raffle board, or pull-tab (paper or electronic) to a distributor. Use this code with Indian Tribal as the business type.
- q. 82 = Distributor sold promotional game. Use this code with promotional game as the business type.
- r. 84 = Unplayed promotional game was returned to distributor. Use this code with promotional game as the business type.
- s. 87 = Defective promotional game was returned to distributor. Use this code with promotional game as the business type.
- t. 52 = Distributor sold gambling equipment. Use this code with the appropriate business type. Example: If an exempt organization purchased gambling equipment, please use this code with exempt organization as the business type.
- u. 54 = Unused gambling equipment was returned to distributor. Use this code with the appropriate business type. Example: If an exempt organization returned unused gambling equipment, please use this code with exempt organization as the business type.
- v. 57 = Defective gambling equipment was returned to distributor. Use this code with the appropriate business type. Example: If an exempt organization returned defective gambling equipment, please use this code with exempt organization as the business type.
- w. 62 = Distributor sold other gambling supplies. Use this code with the appropriate business type. Example: If an exempt organization purchased other gambling supplies, please use this code with exempt organization as the business type.
- x. 64 = Unused gambling supplies were returned to distributor. Use this code with the appropriate business type. Example: If an exempt organization returned unused gambling supplies, please use this code with exempt organization as the business type.
- y. 67 = Defective gambling supplies were returned to distributor. Use this code with the appropriate business type. Example: If an exempt organization returned defective gambling supplies, please use this code with exempt organization as the business type.
- z. 99 = Distributor sold a game to an out-of-state organization. Use this code with exempt organization as the business type.
- zz. 13 = Distributor is reporting a game bingo (paper or placard), paddlewheel, raffle board, tipboard, sports-themed tipboard, or pull-tab (paper or electronic) as missing. Use this code with the appropriate business type. Example: If the game was intended for an Indian Tribe, please use this code with Indian Tribal as the business type.

Schema Key

- a. Business Type: Select the “Business Type” based on the type of game you are selling. If you are selling:
- games defined as a promotional game, select the promotional game for business type;
 - games defined as an Indian Tribal game, select Indian Tribal for business type;
 - games for exempt organizations, select exempt organization for business type;
 - all other games that are approved by and meet the requirements of the Minnesota Gambling Control Board, select lawful gambling for business type.
- b. Game Type: B = bingo, P = pull-tabs, T = tipboards, PW = paddlewheels, PR = promotional games, GE = gambling equipment, EB = electronic bingo, EP = electronic pull-tabs, PL = bingo placard, RB = raffle board, SB = sports-themed tipboards, and OS = other gambling supplies
- c. Bingo Paper Type: BO = break open paper, LB = linked bingo paper, FI = fill in paper, RB = regular bingo paper

Amending Inventory Files

To report changes to a monthly inventory sales file or annual certified physical inventory file, submit an amended file. **Be sure to indicate the month and year you are amending in the file name.**

Resubmit the entire file with the necessary corrections and check the Amend checkbox.

Electronically Filing with e-Services

In order to upload your files you must:

- be registered with the department
- set up a lawful gambling distributor user account in e-Services
- use the schema file provided by the department

Note: You cannot attach a file over 10MB. If it exceeds 10MB, you need to zip your file before you attach it.

To upload your file, go to our website:

1. Select the e-Services Login for Businesses button in the upper right corner of the screen.
2. Enter your username and password and select Login.
3. In the Accounts tab, select Distributor Tax.
4. Select Upload inventory sales file or the Upload certified inventory file located under I Want To.
5. Select the filing period.
6. Select Add Attachment.
7. Enter the file name in the Description field. Use your distributor name, four-digit license number, and month and year of filing period. For example, pulltab_king_0000_mar_2018.
8. Upload the file and complete the remaining steps as directed.

For more information about e-Services, go to our website and enter **e-Services Help** in the Search box.

Closing Your Business

If you close your business, you must contact the Department of Revenue Lawful Gambling Tax Unit. All unsold games must either be returned to the manufacturer for credit or refund, or approved for destruction by the department. This includes any bingo paper, tribal games, promotional games, lawful gambling games, gambling equipment and gambling supplies.

Continued

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Contact the department before destroying games. You must not destroy unsold games, equipment and supplies.

You are 100 percent accountable for all inventory.

Information and Assistance

Website: www.revenue.state.mn.us

Email: lawfulgambling.taxes@state.mn.us

Phone: 651-297-1772
weekdays 8 a.m. to 4:30 p.m.

This information is available in alternate formats.