

Record Retention for Barcoded Game Remnants

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Lawful Gambling Tax Fact Sheet 1

Fact Sheet

Licensed organizations that conduct lawful gambling are required to keep barcoded game remnants after games are played (in addition to their other tax records).

How long do I need to keep played barcoded game remnants?

You must keep all gambling-related records for at least 3½ years, which coincides with the general 3½ year period the department has to audit your tax returns. The retention period starts on the due date of the return on which you reported the game, or the date you actually filed that return, whichever is later. (See Minnesota Statute 297E.06)

Example 1 – Return filed on time: If you report a game on your May 2019 return and file that return by the due date (June 20) the retention period begins June 20, 2019, and ends December 20, 2022.

Example 2 – Return not filed on time: If you report a game on your May 2019 return, but file the return late on November 20, 2019, the retention period begins on November 20, 2019, and ends May 20, 2023.

You can destroy the games after the 3½ year retention period ends by shredding, burning, or soaking them.

What remnants do I need to keep for barcoded games?

You must keep pull-tabs, tipboards, paddlewheels, and raffleboards, including all:

- Unsold tickets
- Winning tickets
- Prize receipts
- Game flares
- Game tracking sheets

Why do I need to keep played game remnants?

You need to keep these games because they are tax records and the basis for your tax returns. The Minnesota Department of Revenue may inspect the games to verify that you reported them correctly. (See M.S. 297E.07)

Where should I keep the games and records?

Keep the games in a dry and secure location that is convenient for the gambling manager to access. Do not store the game remnants in an area where they might get damaged.

Consider keeping the remnants in an organized storage area. That way, if we request to see the remnants, they will be easier for you to locate.

Do I still need to keep the records after an audit?

Yes. Your organization must retain its records for the entire 3½ year retention period regardless of any recent audits or compliance reviews. This includes any visit by Revenue, the Minnesota Gambling Control Board, Department of Public Safety, IRS, or any other agency.

What happens if played game remnants are lost, missing, or destroyed?

If your game remnants are lost, missing, or destroyed before the 3½ year-retention period ends, contact us.

We may assess tax based on the difference between the ideal net receipts of the game and the value of the net receipts reported on your tax return. “Ideal net receipts” is the amount you would receive if all tickets were sold and all prizes were paid.

This fact sheet is intended to help you become more familiar with Minnesota tax laws and your rights and responsibilities under the laws. Nothing in this fact sheet supersedes, alters, or otherwise changes any provisions of the tax law, administrative rules, court decisions, or revenue notices. Alternative formats available upon request.

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