

Record Retention for Barcoded Game Remnants

Lawful Gambling Tax Fact Sheet 1

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 3.5 years, matching the general 3.5 years we have 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 filed that return, whichever is later.

Example 1 – Return filed on time: If you report a game on your May 2021 return and file that return by the due date (June 20), the retention period begins June 20, 2021, and ends December 20, 2024.

Example 2 – Return not filed on time: If you report a game on your May 2021 return, but file the return late on November 20, 2021, the retention period begins on November 20, 2021, and ends May 20, 2025.

You can destroy the games after the 3.5 year retention 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 raffle boards, 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. We may inspect the games to verify that you reported them correctly.

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.

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

Yes. Your organization must retain its records for the entire 3.5 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 before the 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.