

May 5<sup>th</sup>, 2025

**CHARITABLE GAMBLING**

	Yes	No
DOR Administrative Costs/Savings		X

Department of Revenue

Analysis of S.F. 3152 (Frentz) as Proposed to be Amended, (scs3152a-1)

	<u>F.Y. 2026</u>	<u>F.Y. 2027</u>	<u>F.Y. 2028</u>	<u>F.Y. 2029</u>
		(000's)		
General Fund	0	(5,100)	0	0
Minnesota Sports Facilities Authority	0	5,100	0	0

Effective July 1, 2025

**EXPLANATION OF THE BILL**

**Current Law:** All revenues derived from Lawful Gambling are deposited in the General Fund.

**Proposed Law:** A portion of revenues derived from electronic pull tabs will be transferred to the Minnesota Sports Facilities Authority to be used in accordance with section 473J.13, subdivision 4.

The transfer amount is equal to the difference between the immediately preceding fiscal year, starting on March 15<sup>th</sup>, 2026, and the 2023 fiscal year of tax revenue derived from electronic pull tabs after the 1% transfer to the Department of Human Services under 297E.02 subdivision 3, up to a maximum amount of \$20 million, with the first annual appropriation by August 1, 2026. The maximum amount is annually adjusted for inflation.

The amount of revenue attributed to electronic pull tabs is estimated by multiplying the total net receipts tax collected by a fraction the numerator of which is the aggregate of all net receipts derived from the conduct of electronic pull-tabs reported by tax filers and the denominator of which is the aggregate of all combined net receipts from all lawful gambling reported by tax filers.

**REVENUE ANALYSIS DETAIL**

- Estimates are based on combined net receipts data from fiscal year 2023-2024 tax returns and the February 2025 combined net receipts forecast.
- Based on the forecast revenues derived from electronic pull tabs are expected to be higher in fiscal years 2025, 2028 and 2029 than the base fiscal year 2023, but lower in 2026 and 2027.
- Positive transfers under the proposal are expected in fiscal year 2027 then again beginning in fiscal year 2030.
- Positive transfers under the proposal are expected in fiscal year 2027 then again beginning in fiscal year 2030 and thereafter, growing to \$20 million per year.

**Number of Taxpayers:**

1,156 charitable organizations paid combined net receipts taxes in FY24.

Minnesota Department of Revenue  
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