

Administrative Highlights 2005

The Department transferred \$4 million into the Build Indiana Fund in FY05.

The Charity Gaming section of the Indiana Department of Revenue was created to administer charity gaming laws. This section, along with field investigators from the Criminal Investigation Division, strives to see that licensed organizations are operating in accordance with charity-gaming laws and regulations. Under IC 4-32-10-6, the Department of Revenue is required to remit charity gaming surplus revenue into the Build Indiana Fund. This revenue is generated by license fees, as well as excise taxes and penalties. The Department deposited \$4 million into this fund during FY05.

Taxpayer Assistance

During FY05, the Charity Gaming Section assisted 205 taxpayers in the walk-in assistance center, and answered 22,808 phone calls, compared to 23,909 phone calls in FY04. The taxpayers were assisted with various issues, such as accessing, compiling and submitting forms.

Form Revision

The Department has revised the following Charity Gaming and other related forms: Publication 2; CG-2R - Annual Renewal Bingo License Application; CG-2 - Annual Bingo License Application; CG-3 - Single Event License Application; CG-8 - Annual Bingo License Financial Report; CG-9 – Single Event Financial Report; CG-AEL - Application for Exemption Letter for Non-Licensed Event; CG-INV - Operator/Worker Ending Inventory Statement; and GCE-103 – Gaming Card Excise Tax Return.

Legislation

The 2005 Indiana General Assembly enacted Senate Bill 140 relating to charity gaming, which states:

Senate Enrolled Act 140

Effective July 1, 2005, the Senate Enrolled Act 140 redefines “qualified personal property” and “tangible personal property” as well as adds two new types of licenses: water raffle and annual door prize.

“Qualified personal property” is defined as any personal property leased by a qualified organization that is designed to be **used on a body of water** to conduct a raffle associated with the qualified organizations allowable raffle event. The lease or rental of qualified personal property has no limit on the amount that may be paid. The amount paid for leased qualified personal property may not be based in whole or in part to the revenue generated from the event.

Administrative Highlights

**The 2005
General
Assembly
enacted
Senate Bill
140 that
impacts
charity
gaming in
Indiana.**

“Tangible personal property” is defined as personal property (equipment) used to conduct a charity gaming event. Equipment that is considered under this definition would be, but is not limited to: bingo machines, blowers, tables, chairs, raffle drums, poker or black jack tables and roulette wheels. The lease or rental of any tangible personal property is limited to \$50 per event/day.

A Water Raffle License is needed when organizations hold a water raffle as a fundraising event. This license allows an organization to sell floating devices to be used on a body of water. The floating device is marked with a number corresponding to the number on the raffle ticket purchased by the participant. The winner shall be determined by the number on the floating device that crosses the finish line first.

An Annual Door-Prize License is needed when organizations hold multiple door-prize drawings at fundraising events. Organizations may be licensed to conduct an “annual door-prize.” This license allows an organization to conduct multiple drawings to determine the winners, based solely on attendance.

Manufacturers and Distributors

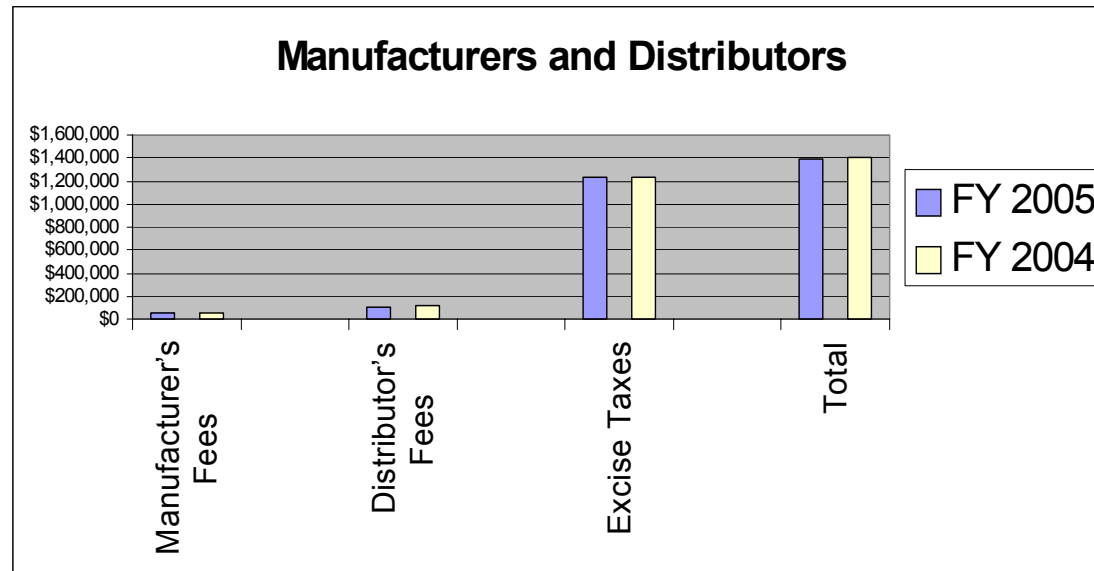
**Annual License Fees:
Manufacturers-
\$3,000;
Distributors-
\$2,000.**

All business entities desiring to manufacture, distribute or sell the following items in Indiana must be licensed by the Indiana Department of Revenue. These items include Bingo sheets, devices, equipment and other supplies used in playing Bingo, as well as pull tabs, punchboards and tip boards.

A manufacturer's annual license fee is \$3,000. There were 16 manufacturer's licenses issued in FY05. The total fee collected was \$48,000.

A distributor's annual license fee is \$2,000. There were 55 distributor's licenses issued in FY05. The total fee collected was \$110,000.

An excise tax is imposed on the distribution of pull tabs, punchboards and tip boards, in the amount of 10 percent of the wholesale price. For FY05, manufacturers and distributors paid excise tax totaling \$1,238,401 -- representing 565 payments.



Seminars

“The seminar was excellent. The speakers were knowledgeable and answered all of my questions fully.”
--Seminar Attendee

Education is one of the major missions within the Department of Revenue. During FY05 seven educational seminars were conducted around the state, with an emphasis on education. The Department’s Charity Gaming staff share information on important topics such as nonprofit legislative changes, rules and regulations and bookkeeping, among others.

The seven full-day seminars were well received and attended by 414 individuals representing nonprofit organizations, attorneys, accountants, auditors and criminal investigators. They have proven to be a valuable tool in helping groups understand and comply with the Indiana codes and regulations.

<u>Date</u>	<u>City</u>
August 5, 2005	Jasper
August 13, 2005	Michigan City
August 19, 2005	Fort Wayne
August 26, 2005	Richmond
September 2, 2005	Lafayette
September 9, 2005	Clarksville
September 16, 2005	Indianapolis
Total Attendees	414

Types of Licenses

**A total of 506
Annual Bingo
Licenses were
issued in
FY05.**

Listed are the six different types of licenses that are available:

1. Annual Bingo License
2. Charity Game Night License
3. Door-Prize License
4. Festival License
5. Raffle License
6. Special Bingo License
7. Water Raffle License
8. Calendar Raffle License
9. Annual Door-Prize License

Each type of license allows an organization to conduct a limited number of charity gaming events within certain prize limitations. There also are restrictions on how many times an organization may receive each type of license during the year.

Annual Bingo License

The Annual Bingo License is available for organizations that conduct Bingo events throughout the year. This type of license allows for the following games to be played:

1. Door prize drawings
2. Multiple bingo events
3. The sale of pull tabs, punchboards and tip boards

Organizations also used this license to only sell pull tabs, punchboards and tip boards throughout the year, even if Bingo is not played. The organizations who only reported income from the sales of pull tabs, punchboards and tip boards were extracted from annual Bingo figures and shown as pull-tab only figures in this report.

Charity Game Night License

Charity Game Nights are commonly referred to as “Las Vegas Nights” or “Monte Carlo Nights.” This type of license allows for the following games to be played:

**314 Charity
Game Night
Licenses were
issued in
FY05.**

Types of Licenses

1. Card games
2. Dice games
3. Door-prize drawings
4. Roulette wheel games
5. Spindle games
6. The sale of pull tabs, punchboards and tip boards

*The wagering on banking and percentage games, bookmarking activities, numbers games, pinball machines or slot machines are not included in these legal charity gaming events.

**7 Door-Prize
Licenses were
issued in
FY05.**

Door-Prize License

A Door-Prize License may be needed when an organization gives away door-prizes as a fund-raising event. This type of license allows for the following games to be played:

1. Door-prize drawings
2. The sale of pull tabs, punchboards and tip boards

**321 Festival
Licenses were
issued in
FY05.**

Festival License

The Festival License permits one organization to conduct a variety of charity gaming events for up to four consecutive days. All of these events have to be conducted within certain limitations. This type of license allows for the following games to be played:

1. Bingo games
2. Charity Game night event
3. Door-prize drawings
4. One raffle drawing event
5. The sale of pull tabs, punchboards and tip boards

Types of Licenses

693 Raffle Licenses were issued in FY05.

Raffle License

A Raffle License is needed when an organization holds a raffle drawing as a fund-raising event. This type of license allows the following game to be played:

1. Door-prize drawings
2. Raffle drawings
3. The sale of pull tabs, punchboards and tip boards

173 Special Bingo Licenses were issued in FY05.

Special Bingo License

The second type of Bingo License is a Special Bingo License. Organizations usually acquire this license when wanting to hold bingo events only occasionally, and not weekly, throughout the year. This license is valid for only one location at a time. Annual Bingo License holders who want to conduct a bingo event on a day that is not listed on their annual license also may use a Special Bingo License. This type of license allows for the following games to be played:

1. One Bingo event
2. Door-prize drawings
3. The sale of pull tabs, punchboards and tip boards

Water Raffles

A Water Raffle License is needed when organizations hold a water raffle as a fundraising event. This type of license allows for the following games to be played:

1. Water raffle drawings

Calendar Raffles

A Calendar Raffle License is needed when organizations hold daily or weekly drawings as fundraising events. This type of license allows for the following games to be played:

Types of License

A door-prize is awarded to a person based solely upon the person's attendance at an event, or the purchase of a ticket to attend an event.

1. Daily/weekly raffle drawings

Annual Door-Prize

An Annual Door-Prize License is needed when organizations hold multiple door-prize drawings as fundraising events. This type of license allows for the following games to be played:

1. Door-prize drawings

License Fees

**\$3,952,740 in
license fees
was collected
in FY05.**

The fee for the first license in any category is \$25.

For a subsequent license, fees are based on the gross receipts from the previous event for which the same type of license was held.

These receipts include:

1. The income from all gaming activities, including the sale of pull tabs, punchboards and tip boards.
2. The sale of tangible personal property specifically sold at the gaming event. Some items commonly sold at these events include card doblers, good luck dolls, keychains, etc.
3. Concessions that are sold specifically at the gaming event.

License Fees

The fee to renew a charity gaming license is based on an organization's gross receipts of the previous year's activities.

Charity gaming license fees are based on the following chart:

<u>Gross Revenues</u>		
<u>At Least</u>	<u>But Less Than</u>	<u>Fee</u>
\$ 0	\$ 15,000	\$ 25
\$ 15,000	\$ 25,000	\$ 75
\$ 25,000	\$ 50,000	\$ 200
\$ 50,000	\$ 75,000	\$ 350
\$ 75,000	\$ 100,000	\$ 600
\$ 100,000	\$ 150,000	\$ 900
\$ 150,000	\$ 200,000	\$ 1,200
\$ 200,000	\$ 250,000	\$ 1,500
\$ 250,000	\$ 300,000	\$ 1,800
\$ 300,000	\$ 400,000	\$ 2,500
\$ 400,000	\$ 500,000	\$ 3,250
\$ 500,000	\$ 750,000	\$ 5,000
\$ 750,000	\$ 1,000,000	\$ 6,750
\$ 1,000,000	\$ 1,250,000	\$ 8,500
\$ 1,250,000	\$ 1,500,000	\$ 10,000
\$ 1,500,000	\$ 1,750,000	\$ 12,000
\$ 1,750,000	\$ 2,000,000	\$ 14,000
\$ 2,000,000	\$ 2,250,000	\$ 16,250
\$ 2,250,000	\$ 2,500,000	\$ 18,500
\$ 2,250,000	\$ 3,000,000	\$ 22,500
\$ 2,500,000	\$ _____	\$ 25,000
\$ 3,000,000		

Statistics

Every organization that holds a charity gaming license is required to file a financial report for each license. The statistics are based on financial reports which were received during the state's FY05 (July 1, 2004 through June 30, 2005). An organization cannot receive successive gaming licenses until it has filed a financial report for its previous event.

The following information was obtained from Form CG-8 (Annual Bingo Financial Reports) and Form CG-9 (Single Event Financial Report) received during FY05. The number of licenses issued during the fiscal year may differ from the number of financial reports actually *received* during the fiscal year due to licenses being issued prior to the event.

Information pertaining to nonprofit organizations is available for public inspection according to state code IC 6-2.1-8-4. This includes all applications for exemption and all annual reports filed by the nonprofit organizations under IC 6-2.1-3-19; IC 6-2.1-3-20; IC 6-2.1-3-21; and IC 6-2.1-3-22, which also includes information on the above mentioned forms.

Some organization names may appear more than once in the following listings for any of the following reasons:

- More than one type of charity gaming license may be held at a time;
- An unlimited number of door-prize, raffle and special-bingo licenses may be issued to organizations during the same year, as long as all required applications and fees have been received and approved by the Indiana Department of Revenue; and
- The organizations were late in filing or filed amended financial reports for the previous year.

Grand Totals

Type of License	Gross Income	Total Expenses	Net Proceeds	Amount Given to Unrelated Organizations	Amount Retained for Used by the Organization	Total Undistributed
Annual Bingo/Pull Tabs	\$499,834,045.82	\$435,727,911.72	\$64,106,134.10	\$10,031,717.52	\$42,984,876.84	\$11,077,947.74
Charity Game Night	\$1,743,206.18	\$1,141,951.57	\$601,254.61	\$101,349.58	\$433,047.52	\$67,310.16
Door Prize	\$3,800.00	\$36,327.38	(\$32,527.38)	\$0.00	\$0.00	(\$32,527.38)
Festival	\$10,659,041.34	\$5,580,126.38	\$348,550.87	\$5,078,918.96	\$4,397,210.61	\$318,348.74
Raffles	\$12,774,986.69	\$6,108,815.62	\$6,666,171.07	\$943,276.13	\$5,207,103.39	\$516,269.45
Special Bingo	\$1,415,274.63	\$993,661.25	\$421,613.38	\$79,276.41	\$304,516.47	\$38,177.10
Total	\$526,430,354.66	\$443,479,978.30	\$72,111,196.65	\$16,234,538.60	\$53,326,754.83	\$11,947,348.71

Note: Amounts were taken directly from organizations' financial reports filed with the Department.

Statistics

Licenses	Number of Licenses	Fees Paid
Annual Bingo	501	\$3,074,400
Annual Bingo/Pull Tab	4	\$43,000
Calendar Raffle	87	\$7,575
Charity Game Night	316	\$10,775
Distributor	55	\$110,000
Door Prizes	7	\$175
Festival	321	\$75,825
Manufacturer	16	\$48,000
Pull Tabs	349	\$489,575
Raffle	694	\$84,515
Spec. Perm. \$10,000	89	\$375
Spec. Perm. \$20,000	3	\$0
Spec. Perm. \$25,000	4	\$0
Special Bingo	173	\$8,575
Total	2619	\$3,952,790

License Fees

Concession Income

License Type	Number Reported	Concession Income
Annual Bingo	176	\$2,111,865
Annual Bingo/Pull Tabs	2	\$16,421
Charity Game Night	68	\$79,853
Festival	173	\$2,094,670
Pull Tabs	1	\$764
Raffle	51	\$198,669
Special Bingo	88	\$42,033
Total	559	\$4,544,277