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**FISCAL IMPACT STATEMENT**

**LS 7306**

**BILL NUMBER:** HB 1556

**NOTE PREPARED:** Feb 17, 2003

**BILL AMENDED:** Feb 17, 2003

**SUBJECT:** Charity Gaming and Lottery.

**FIRST AUTHOR:** Rep. Liggett

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** (Amended) The bill specifies that the Administrative Orders and Procedures Act applies to a protest or hearing related to the regulation of charity gaming by the Department of State Revenue. It also specifies that the Gaming Card Excise Tax is imposed upon distributors. The bill sets forth certain recordkeeping requirements for manufacturers and distributors. The bill provides that radio advertisements for charity gaming events must state the name of the organization conducting the advertised event and that the organization's license number is on file. It also provides that if an employee or officer of a manufacturer or distributor is a member of a bona fide civic or religious organization holding a charity gaming license, the membership may not be construed as an affiliation with the charity gaming operations of the organization.

**Effective Date:** Upon passage; July 1, 2003.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** (Revised) The bill specifies that the Charity Gaming Excise Tax is imposed on the price paid by the charity gaming license holder (instead of the wholesale price as required under current law) for pull tabs, punchboards, or tip boards. This provision could have an indeterminable impact on Excise Tax revenue. Reportedly, some distributors have, in the past, based the tax on the price they pay for the products rather than the price paid by the charity gaming license holder. The bill also specifies that the Excise Tax is imposed on the licensed manufacturer or distributor that distributes the pull tabs, punchboards, or tip boards to a charity gaming license holder in Indiana. Thus, the bill makes clear that the Excise Tax is not imposed on the manufacturer of these products unless the manufacturer also distributes to licensed organizations. Currently, the Excise Tax is only imposed on distribution of pull tabs, punchboards,

or tip boards to licensed organizations in Indiana. Thus, this provision will have no fiscal impact.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Department of State Revenue

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jim Landers, 317-232-9869