

SC REVENUE RULING #14-3

SUBJECT: Bingo Paper Standards
(Bingo)

EFFECTIVE DATE: July 1, 2014

SUPERSEDES: SC Revenue Ruling #99-13 and all previous documents and any oral directives in conflict herewith.

REFERENCES: S. C. Code Ann. Section 12-21-4220 (2014)

AUTHORITY: S. C. Code Ann. Section 12-4-320 (2014)
S. C. Code Ann. Section 1-23-10(4) (Supp. 2012)
SC Revenue Procedure #09-3

SCOPE: The purpose of a Revenue Ruling is to provide guidance to the public. It is an advisory opinion issued to apply principles of tax law to a set of facts or general category of taxpayers. It is the Department's position until superseded or modified by a change in statute, regulation, court decision, or another Departmental advisory opinion.

Bingo Paper Standards

Introduction:

Article 24 of Chapter 21 of Title 12 of the South Carolina Code of Laws governs the game of bingo and is administered by the Department of Revenue. Code Section 12-21-4220 states that bingo cards must meet the design and requirements of the Department. The regulation of bingo paper (sheets of paper that contain one or more bingo cards) is critical to the administration of the Bingo Act and the payment of bingo tax.

Therefore, the department will accept bingo paper meeting the following standards for use in South Carolina.

Definitions:

The following definitions are provided for purposes of the bingo paper standards outlined below.

"Card" means a printed or nonprinted design on which there are arranged five horizontal rows and five vertical columns forming twenty-five squares. Numbers are printed in twenty-four of the squares, and the term "free", "free square", or " free space" is printed in the square or space located in the center of the card. The five columns are denominated from left to right by the respective letters of the word "B-I-N-G-O". Each square in the "B" column contains a number from one through fifteen inclusive; each square in the "I" column contains a number from sixteen through thirty inclusive; except for the center space which is marked as free, each square in the "N" column contains a number from thirty-one through forty-five inclusive; each square in the "G" column contains a number from forty-six through sixty inclusive; and each square in the "O" column contains a number from sixty-one through seventy-five inclusive. A number may not appear twice on the same card. A nonprinted design is a bingo ticket for use only with an electronic dabbler. The bingo ticket is a perforated two-part ticket and must bear a sequential serial ticket number, the South Carolina state seal, denomination, number of faces authorized for download or activation, the Department of Revenue issued organization license number, and other information that may be required by the department. The ticket must have designated blanks for entry of the date sold and electronic dabbler unit number supplied. Bingo tickets must be printed by a bingo ticket manufacturer licensed by the department and must be sold only by a distributor licensed by the department. Bingo tickets must meet the design and requirements of the department. Bingo tickets may be used only by a promoter or nonprofit organization if the ticket has been approved by the department. A license for a bingo ticket manufacturer costs one thousand dollars. A manufacturer of bingo cards or electronic dabblers or site systems, a distributor, a promoter, or a nonprofit organization may not have an interest, direct or indirect, in a bingo ticket manufacturer. The bingo ticket manufacturer must maintain records as required by the department (Code Section 12-21-3920(3)).¹

"Perm" means a defined collection of unique bingo cards. A 9,000 face bingo permutation contains 9,000 unique bingo cards. For example, the bingo card numbers will range from 1 to 9,000; 9,001 to 18,000; 18,001 to 27,000.

"Serial number" means a unique number printed by the manufacturer on each card in a set.

"Series number" means the number of unique card faces contained in a set. A 9000 series, for example, has 9,000 unique faces.

¹ The standards for a nonprinted design, a bingo ticket, are not listed in this document. The standards for a bingo ticket can be found in SC Revenue Ruling #04-11.

“Set” means a specific grouping of bingo cards offered for sale by a manufacturer.

“Sheet” means a single page of bingo paper containing one or more cards or faces.

Bingo Paper Standards:

- The paper used should be of sufficient weight and quality to:
 - allow for legible numbers and prevent ink from spreading or bleeding through a packet thereby obscuring other numbers on other bingo paper sheets; and
 - maintain its original condition and not deteriorate when properly stored and normally handled and protected from environmental elements.
- The design of each card on a bingo sheet must be consistent with the definition of “card” in Code Section 12-21-3920, the applicable provisions related to the manner of play in Code Section 12-21-3990, and any other applicable provisions of the bingo law (Title 12, Chapter 21, Article 24).
- Numbers printed on the card must be randomly assigned.
- The dollar face value of a bingo sheet must be printed on each card of the sheet. For example, if a sheet contains 3 cards and the sheet is sold for \$1, then each card on the sheet must state the dollar face value as “3 on \$1” or similar language to identify that the sheet contains 3 cards and the sheet is sold for \$1.
- Any prepackaged paper must have a common serial number for all the sheets in the package; except prepackaged paper may have random serial numbers for sheets in the package if all of the following conditions are met:

The manufacturer must seek written approval from the Department to sell in South Carolina prepackaged paper with random serial numbers. The determination as to whether a manufacturer may sell into South Carolina prepackaged paper with random serial numbers for sheets in the package is based solely on its manufacturing operation’s ability or inability to only produce prepackaged paper having a common serial number for all the sheets in a package.

The manufacturer must record all serial numbers in a package.

The distributor must record all serial numbers in a package.

The distributor must list on the voucher each serial number prior to approval by the Department.

- Perm numbers should at least be displayed in the center square and/or the bottom right corner of each card.
- The manufacturer's name, logo or identifying mark must be placed on each sheet.
- Serial numbers used by the manufacturer must be consecutively numbered, and the numbers must not be duplicated until all available serial numbers are used. All paper sold to licensed South Carolina bingo operators must have a state emblem, as shown below, printed on the face of each sheet. This emblem must be the outline of the state of South Carolina and must be placed in the free space. The design and placement of this emblem must be approved by the Department. The sale of paper with the South Carolina emblem by a licensed manufacturer to a person other than a licensed South Carolina distributor is prohibited. Licensed South Carolina distributors may only sell this paper to licensed South Carolina bingo organizations or promoters.



- A distributor must sell paper in sets of 9,000 or any other sets approved by the department. A distributor must sell an entire set at the same time, on the same invoice, to the same individual licensed organization. The distributor cannot sell partial sets to different organizations, nor can they sell a set over several invoices or periods of time.
- Bingo paper sheets assembled in booklets, pads or packets by a manufacturer should be glued, not stapled. The glue must be manufactured and applied so that no bingo card or bingo paper sheet is defaced upon removing a sheet, and the sheets can be separated.
- The exterior of each carton of bingo paper should include a listing of the following information:
 - a) type of product
 - b) quantity of booklets or loose sheets
 - c) series numbers
 - d) serial number
 - e) quantity of cases
 - f) cut of paper
 - g) color of paper
 - h) product code or identifier

Bar coding or a combination of bar-coding and labeling could be used to provide all of the above information.

Bingo manufacturers and distributors must keep proper records of the above information with respect to all sales of bingo paper. Licensed organizations and promoters conducting bingo games must keep proper records of the above information with respect to all purchases of bingo paper.

- A valid verification system, such as a verification book, master control book or an electronic database, or version thereof, must be provided and certified by the manufacturer as a true and accurate illustration of the pattern of numbers on every card in each permutation to be used to verify a valid card.
- If, at any time, a change in the permutation(s) or the master control book occurs, or additional permutation ranges are introduced, the master control book, or any electronic version thereof, is to be supplied to the Bingo Section of the SC Department of Revenue at: SC Department of Revenue, Bingo Section, 300A Outlet Pointe Blvd., Columbia, South Carolina 29211.

Note: The standards for a nonprinted design, a bingo ticket, are not listed in this document. The standards for a bingo ticket can be found in SC Revenue Ruling #04-11.

SOUTH CAROLINA DEPARTMENT OF REVENUE

s/Rick Reames III
Rick Reames III, Director

August 27, 2014
Columbia, South Carolina