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SC INFORMATION LETTER #91-15

TO: Vicki Ringer
Public Information Director

FROM: John P. McCormack, Tax Manager
Tax Policy and Appeals Department

DATE: June 19, 1991

SUBJECT: Bingo Tax Law Changes
(Bingo)

REFERENCE: S.C Code Ann. Section 12-21-3400 (As Amended June, 1991)
S.C Code Ann. Section 12-21-3420 (As Amended June, 1991)
S.C Code Ann. Section 12-21-3440 (As Amended June, 1991)
S.C Code Ann. Section 12-21-3450 (As Amended June, 1991)
S.C Code Ann. Section 12-21-3530 (As Amended June, 1991)

AUTHORITY: S.C. Code Section 12-3-140 (1976)
SC Revenue Procedure #87-3

SCOPE: An Information Letter is a temporary document issued for the purpose of disseminating general tax information and to respond to technical questions from within the Commission which are not related to a specific set of facts.

CLASS "AA" AND "B" PLAYER TAXES INCREASED

Effective July 1, 1991, Section 32 of Part II of the 1991-92 Appropriations Bill increases the per player bingo taxes for Class AA and Class B licenses. The tax levied on a Class AA bingo will be nine dollars (\$9.00) per player per session, while the tax levied on a Class B bingo will be two dollars and fifty cents (\$2.50) per player per session.

This increase is a temporary increase with the additional revenues being deposited in a special account entitled the "Commission on Aging Senior Citizen Centers Permanent Improvement Fund". On the first day of the second month after the fund reaches eight million, eight hundred thousand dollars, the tax increase authorized by the 1991-92 Appropriations Bill will be repealed.

Licensees must revise their bingo tax tickets to reflect this increase in the player tax. If a licensee merely changes the tax amount shown on a ticket that was previously approved by the Commission, the changing of the tax amount on the ticket will be considered approved. If the licensee decides to change other information on the ticket in addition to the tax amount, the licensee must submit the ticket to the License and Registration Section of the Commission for approval.

The bingo tax returns are presently being revised to reflect the tax increase and will be mailed to licensees in the near future.

OTHER CHANGES TO THE BINGO LAW

House Bill #3167, signed by the Governor on June 4, 1991, amended the following provisions of the Bingo Law:

1. Promoters and nonprofit organizations may transfer their licenses, upon written application to the Commission, to a new location.
2. Licensees must now return 60% of their gross proceeds (less bingo taxes) taken in during a calendar quarter, but no less than 50% during a single session, to the players as prizes. The law previously required that 60% of the gross proceeds be returned as prizes during a single session.
3. Class E licensees may now take in gross proceeds of thirty thousand dollars a calendar quarter before they are required to forfeit their Class E license and obtain a Class B license.
4. All Class AA and B licensees must now tear the player's bingo ticket in two, approximately through the center, as the player enters the bingo premises. One half of the ticket should be retained by the licensee for recordkeeping purposes and one half should be given to the player.
5. The bond requirements remain basically the same, except that the bond is now security for "all state taxes, penalties, interest, fines, fees, and warrant costs ..." In addition, Class E licensees are no longer required to secure a bond pursuant to Code Section 12-21-3530.

Any questions concerning the above changes in the Bingo Law should be directed to James Whitmire at 737-4879 or John McCormack at 737-4438.