



SC REVENUE RULING #90-2

- SUBJECT:** Sale of Bingo Cards and Packages
(This document amends Question #12 of SC Revenue Ruling #89-23)
(Bingo)
- EFFECTIVE DATE:** July 1, 1990
- SUPERSEDES:** All previous documents and any oral directives in conflict herewith.
- REFERENCE:** S.C. Code Ann. Section 12-21-3410 (Supp. 1989)
S.C. Code Ann. Section 12-21-3420 (Supp. 1989)
S.C. Code Ann. Section 12-21-3510 (Supp. 1989)
- AUTHORITY:** S.C. Code Ann. Section 12-30-170 (1976)
SC Revenue Procedure #87-3
- SCOPE:** A Revenue Ruling is the Commission's official interpretation of how tax law is to be applied to a specific set of facts. A Revenue Ruling is public information and remains a permanent document until superseded by a Regulation or is rescinded by a subsequent Revenue Ruling.

Question:

Must a bingo card, which is sold individually for a single game, be sold at the same price as a card for the same game, which is sold in a package with cards for other games?

Facts:

A typical bingo operation in South Carolina divides a session into three parts: "early bird" games, "program" games, and "late night" games. For the "early bird" and "late night" games, cards for each game are sold individually before the beginning of each game. In addition to selling cards individually, cards are sold in packages for the "program" games. Packages consist of one or several cards for each game in the program, with a typical program consisting of ten to twenty games.

For example, a package may contain eighteen cards for each of ten games, for a total of one hundred and eighty cards in the package. This package may sell for eighteen dollars; however, additional cards for any one game in the program can be purchased individually for one dollar a card.

Discussion:

The issue is whether a bingo operation may discount the price of some cards by selling cards for several games in a package.

Code Section 12-21-3410(A) reads, in part:

The game of bingo must be played in the following manner:

- (1) Bingo is played by more than one player and a caller who is associated with the house. Each player pays an amount certain for each card to be played during the course of a game and may purchase the card for a specified number of games. After the player has purchased a card or cards for a specified number of games, the house cannot require or accept an additional payment or consideration by the player in order to complete the specified number of games.

Code Section 12-21-3420 reads, in part:

In addition to the manner of play prescribed in Section 12-21-3410, the following procedures apply to the conduct of the game :

* * * * *

- (13) All cards used in a game sell for an equal value.

In summary, a licensee may sell cards for a specified number of games, otherwise known as a package, and must sell all cards for a particular game "for an equal value".

Furthermore, Code Section 12-21-3510 requires the Commission, with respect to bingo, to "perform all functions incident to the administration, collection, enforcement, and operation of a tax imposed under [Article 23, entitled 'Regulation of Bingo Games']."

Conclusion:

A bingo card, which is sold individually for a single game, must be sold at the same price as a card for the same game, which is sold in a package with cards for other games.

In order to ensure that all cards are sold for the same price, the Commission will require all licensees, effective July 1, 1990, to maintain an on site breakdown of the price per card per game of all cards sold in a package during a session. This breakdown must be made available, upon demand, to the Commission and its agents. In addition, a copy of the breakdown must either be given to every player who purchases a package or prominently displayed at all locations where packages are sold.

If this procedure is not followed, all cards in a package will be deemed to be sold at a different price than cards sold individually, and; therefore, subject to penalties for selling cards, for the same games, at different prices.

NOTE: Attached is an exhibit which demonstrates how the breakdown should be maintained.

SOUTH CAROLINA TAX COMMISSION

s/S. Hunter Howard, Jr.

S. Hunter Howard, Jr., Chairman

s/A. Crawford Clarkson, Jr.

A. Crawford Clarkson, Jr., Commissioner

Columbia, South Carolina

April 10, _____, 1990

TOTAL PRICE FOR THE PACKAGE:

We certify that the information included in this "Price Breakdown for Cards in a Package" is true and accurate.

Promoter or promoter's representative
(Signature)

Organization's representative
(Signature)

Please print name here

Please print name here