

Subject Lawful gambling equipment purchase exemption provided

Authors Dettmer and others

Analyst Alexandra Haigler

Date February 10, 2021

Overview

This bill provides sales tax exemptions for items purchased or leased in connection with lawful gambling. Under current law, lawful gambling organizations pay sales tax on items purchased and awarded as prizes to the lawful games, as well as on items used in conducting the lawful games. This bill will exempt these items from sales tax.

This bill is effective for sales and purchases made after June 30, 2021.

Summary

| Section | Description |
|---------|-------------|
|---------|-------------|

| | |
|----------|----------------|
| 1 | Prizes. |
|----------|----------------|

This section provides a sales tax exemption for items purchased and awarded as prizes in connection with lawful gambling.

| | |
|----------|-----------------------------------|
| 2 | Lawful gambling equipment. |
|----------|-----------------------------------|

This section provides a sales tax exemption for the lease or purchase of gambling equipment by lawful gambling organizations. Examples of these items include bingo cards, pull-tabs, tipboards, raffle boards, software for electronic pull-tabs and bingo, and electronic devices for lawful games.

| | |
|----------|---------------------------------|
| 3 | Collection; disposition. |
|----------|---------------------------------|

This section strikes language requiring the sales tax imposed on a sale by a distributor of pull-tabs and tipboards be imposed at the retail price. This section deletes language rendered obsolete by changes made in section 2 of the bill.