



Bismarck-Mandan
Convention & Visitors Bureau
1600 Burnt Boat Drive
Bismarck, ND 58503
701-222-4308
800-767-3555

Testimony of Sheri Grossman
Bismarck-Mandan Convention & Visitors Bureau
HB 1212
March 15, 2021

Chairman Bell and Members of the Senate Finance and Taxation Committee:

My name is Sheri Grossman, and I am the CEO for the Bismarck-Mandan Convention & Visitors Bureau (CVB). We support HB 1212.

Our mission at the CVB is to promote engaging visitor experiences resulting in community economic growth and quality of place. Lodging tax and gaming revenue from our gaming sites are our primary funding sources.

HB 1212 creates a tax based on adjusted gross proceeds and simplifies the tax code for gaming. Currently, gaming tax is imposed on **gross proceeds** received by a licensed organization. Electronic Pull Tab machines are taxed on each ticket played. Here is one scenario. A player purchases \$20 in credits on an etab machine and wins \$200 in credits during play. The player plays all credits without purchasing additional credits. The charity is taxed on \$220 (gross proceeds) but only \$20 of actual money went into the machine.

Changing the tax to **adjusted gross proceeds** (gross proceeds less cash prizes and cost of merchandise prizes) eliminates the taxation of "credits" and unifies the tax calculation for all games.

There are so many worthy charitable gaming organizations and this bill would allow these charities more money to disperse. I encourage the Committee to recommend a do pass for HB 1212.

Thank you for your time and consideration.

