

**SENATE BILL NO. 2190**

Introduced by

Senators Bakke, Horne, Schneider

Representatives Dahl, DeKrey, Delmore

1 A BILL for an Act to amend and reenact section 53-06.1-12 of the North Dakota Century Code,  
2 relating to exemption for schools and churches from bingo excise taxes; and to provide an  
3 effective date.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1. AMENDMENT.** Section 53-06.1-12 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **53-06.1-12. Gaming and excise taxes - Exception - Deposits and allocations.**

- 8 1. A gaming tax is imposed on the total adjusted gross proceeds earned by a licensed  
9 organization in a quarter and it must be computed and paid to the attorney general  
10 on a quarterly basis on the tax return. This tax must be paid from adjusted gross  
11 proceeds and is not part of the allowable expenses. The tax rates are:
- 12 a. On adjusted gross proceeds not exceeding two hundred thousand dollars, a  
13 tax of five percent.
  - 14 b. On adjusted gross proceeds exceeding two hundred thousand dollars but not  
15 exceeding four hundred thousand dollars, a tax of ten percent.
  - 16 c. On adjusted gross proceeds exceeding four hundred thousand dollars but not  
17 exceeding six hundred thousand dollars, a tax of fifteen percent.
  - 18 d. On adjusted gross proceeds exceeding six hundred thousand dollars, a tax of  
19 twenty percent.
- 20 2. Except as provided in subsection 3 or 4, in addition to any other tax provided by  
21 law and in place of sales or use taxes, there is imposed an excise tax of four and  
22 one-half percent on the gross proceeds from the sale at retail of pull tabs and three  
23 percent on the gross proceeds from the sale at retail of bingo cards to final users.  
24 This includes pull tabs or bingo cards provided to a player in exchange for

- 1 redeemed winning pull tabs or bingo cards. The tax must be paid to the attorney  
2 general when tax returns are filed.
- 3 3. For organizations whose gross proceeds of pull tabs do not exceed four thousand  
4 dollars per calendar quarter, no excise tax may be imposed on the gross proceeds  
5 from the sale at retail of pull tabs to final users.
- 6 4. No excise tax may be imposed on the gross proceeds from the sale at retail of  
7 bingo cards to final users by a religious organization or an elementary or  
8 secondary school educational organization.
- 9 5. Except as provided in subsection 5 6, the state treasurer shall deposit gaming and  
10 excise taxes, monetary fines, and interest and penalties collected in the general  
11 fund in the state treasury.
- 12 ~~5.~~ 6. The state treasurer shall deposit three percent of the total taxes, less refunds,  
13 collected under this section into a gaming and excise tax allocation fund. Pursuant  
14 to legislative appropriation, moneys in the fund must be distributed quarterly to  
15 cities and counties in proportion to the taxes collected under this section from  
16 licensed organizations conducting games within each city, for sites within city  
17 limits, or within each county, for sites outside city limits. If a city or county  
18 allocation under this subsection is less than two hundred dollars, that city or county  
19 is not entitled to receive a payment for the quarter and the undistributed amount  
20 must be included in the total amount to be distributed to other cities and counties  
21 for the quarter.

22 **SECTION 2. EFFECTIVE DATE.** This Act is effective for taxable events occurring after  
23 June 30, 2009.