

Interim Judiciary Committee
History of Gaming Taxes
April 11, 2012

1977

Gaming tax established at 3% of adjusted gross proceeds.

1979

Gaming tax rate increased from 3% to 5% of adjusted gross proceeds.

1983

The gaming tax rate changed from 5% of adjusted gross proceeds to 5% on the first \$600,000 of adjusted gross proceeds and 20% on adjusted gross proceeds over \$600,000 per quarter.

1989

The gaming tax rate was changed to 5% up to \$200,000, 10% on \$200,000 up to \$400,000, 15% on \$400,000 up to \$600,000, and 20% on amounts over \$600,000 on adjusted gross proceeds per quarter. In addition, a 2% excise tax was imposed on pull tab gross proceeds and sales tax was imposed on bingo cards.

1993

The excise tax on pull tab gross proceeds was increased from 2% to 4½%.

2001

The 4½% excise tax on pull tab gross proceeds was eliminated for organizations whose gross proceeds did not exceed \$4,000 for a quarter.

2007

Sales tax was no longer imposed on bingo cards but instead it was replaced with a 3% excise tax on the gross sales of bingo cards.

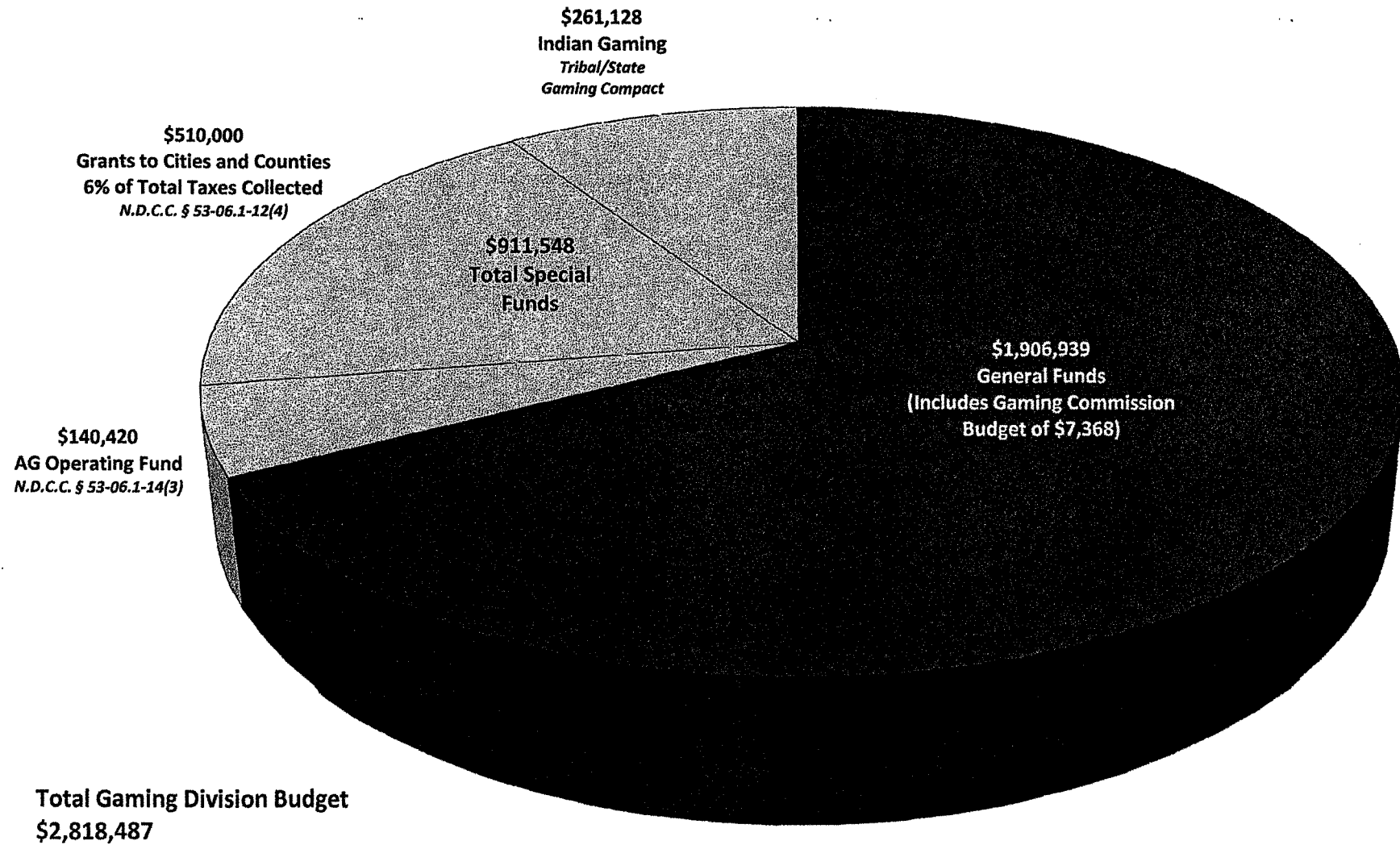
2009

The previous 4½% excise tax on pull tab gross proceeds was reduced to 3%.

2011

The previous gaming tax of 5 - 20% on adjusted gross proceeds and the separate 3% excise tax on gross proceeds of bingo cards and pull tabs was replaced with a tax of 1% on gross proceeds not exceeding \$500,000, 1½% on gross proceeds exceeding \$500,000 but not exceeding \$1 million, 2% on gross proceeds exceeding \$1 million but not exceeding \$1.5 million, and 2½% on gross proceeds exceeding \$1.5 million for each quarter of activity.

Gaming Division Biennial Budget 2011 - 2013



53-06.1-12. Gaming tax - Deposits and allocations.

4. The attorney general shall deposit six percent of the total taxes, less refunds, collected under this section into a gaming and excise tax allocation fund. Pursuant to legislative appropriation, moneys in the fund must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter.

Office of Attorney General
Gaming Division
Local Gaming Grants for the Second Quarter of the 2011-13 Biennium
Date Paid January 18, 2012

| COUNTY | GRANT |
|---------------------|-----------------|
| McKenzie | 440 |
| Pierce | 289 |
| Stutsman | 296 |
| Ward | 4,035 |
| Williams | 911 |
| CITY | |
| Beach | 288 |
| Beulah | 300 |
| Bismarck | 8,599 |
| Bottineau | 402 |
| Burlington | 256 |
| Carrington | 244 |
| Devils Lake | 1,060 |
| Dickinson | 4,915 |
| Fargo | 12,881 |
| Grafton | 599 |
| Grand Forks | 9,123 |
| Gwinner | 253 |
| Harvey | 546 |
| Harwood | 372 |
| Hazen | 253 |
| Hope | 291 |
| Jamestown | 2,509 |
| Kenmare | 355 |
| Langdon | 600 |
| Larimore | 306 |
| Lisbon | 311 |
| Mandan | 2,991 |
| Mayville | 305 |
| Minot | 7,017 |
| New Salem | 242 |
| Oakes | 289 |
| Park River | 299 |
| Rugby | 311 |
| Stanley | 288 |
| Tioga | 356 |
| Valley City | 1,065 |
| Velva | 317 |
| Wahpeton | 469 |
| Walhalla | 560 |
| West Fargo | 2,762 |
| Williston | 4,963 |
| TOTAL PAYOUT | * 72,668 |

* 6% of the total taxes, less refunds, are distributed back to Cities and Counties based on a prorated share of the total Gross Proceeds for the quarter. Calculated amounts less than \$200 are redistributed back to the remaining Cities and Counties which are eligible to receive a grant distribution.