

Tax Alert



Comptroller of Maryland • Revenue Administration Division • 110 Carroll Street • Annapolis, Maryland 21401
410-260-7980 from Central Maryland or 1-800-MDTAXES (1-800-638-2937) from elsewhere in Maryland
E-mail: taxhelp@comp.state.md.us • World Wide Web: www.marylandtaxes.com

11-07

State Admissions and Amusement Tax on Electronic Bingo Machines and Electronic Tip Jars

During its 2007 special session, the Maryland General Assembly enacted legislation to impose a State admissions and amusement tax on electronic bingo machines and electronic tip jars. The tax becomes effective January 3, 2008, and is imposed at the rate of 20 percent of taxable net proceeds. The tax is applicable to the operation of electronic bingo machines permitted under a commercial bingo license, or to electronic tip jars authorized under Title 13 of the Criminal Law Article operated for commercial purposes. The State admissions and amusement tax imposed on electronic bingo machines and electronic tip jars is **in addition** to any county or municipal admissions and amusement tax which may be levied.

Electronic bingo or electronic tip jars means a game played in an electronic or electro-mechanical format that contains predetermined winning and losing games. Examples include (but are not limited to): electronic pull tab bingo; pull tabs that are sold from a dispensing machine or any electronic game card that contains circuit boards; micro processor; game software and a power source. Net proceeds means the total receipts from the operation of the electronic bingo machines and electronic tip jars less the amount of money winnings or prizes paid out to players.

Taxpayers currently remitting admissions and amusement taxes on electronic bingo or electronic tip jars will report the taxable receipts and tax due for the new 20 per cent State admissions and amusement tax on their return indicating the subdivision as State of Maryland. Admissions and amusement taxes which may be due for both the State of Maryland and a county or municipality for these specific activities must be noted on separate lines and may not be combined on the return. The net proceeds and tax due for electronic bingo should be reported under category 14, bingo. The net proceeds and tax due for electronic tip jars should be reported under category 17, coin operated amusement devices.

Those businesses that are not currently registered to remit the tax will need to register with the Comptroller of Maryland by completing a Combined Registration Application. The application is available online at www.marylandtaxes.com or by contacting the Taxpayer Service Section.

For additional information, contact the Taxpayer Service Section at 410-767-1300 in the Baltimore area or toll-free 1-800-492-1751 from elsewhere in Maryland.

Updated: December 12, 2007