

Tax Alert



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1-08

State Admissions and Amusement Tax Update

The Comptroller's Office issued Tax Alert 11-07 informing taxpayers of legislation enacted by the Maryland General Assembly during its special session imposing a 20 percent state admissions and amusement tax on electronic bingo machines and electronic tip jars. At that time, the Comptroller's Office defined the terms "electronic bingo" and "electronic tip jars." As a result of questions and concerns that have been raised since the 11-07 Alert was issued, this Update reflects a clarification of the definition of electronic bingo and electronic tip jars. All other information from Tax Alert 11-07 remains unchanged.

Electronic bingo or electronic tip jars means a game played in an electronic or electro-mechanical device that contains predetermined winning and losing games and signals the issuance of a winning play. Examples include (but are not limited to):

- Electronic devices utilizing paper bingo or tip jar tickets.
- Electronic devices utilizing computer chips that simulate paper bingo or tip jar tickets that, when played by a customer, determine the outcome of winning or losing that is not random or subject to change, but is based on a predetermined set of winning or losing numbers.

Specifically exempt from the state admissions and amusement tax are electronic devices that dispense tip jar tickets and instant bingo tickets but do not alert the customer to a winning or losing ticket.

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.

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