

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

# A Bill

HOUSE BILL 1835

4  
5 By: Representatives Lynn, Wooldridge, Wallis, Miller, Jeffress, Madison, and Hausam

## For An Act To Be Entitled

9 "AN ACT TO REPEAL ARKANSAS CODE 26-52-1501 THROUGH 26-52-  
10 1507 WHICH PROVIDES FOR THE REGISTRATION OF BINGO  
11 OPERATORS AND FOR THE LEVY OF A GROSS RECEIPTS TAX ON  
12 CERTAIN BINGO OPERATIONS."

## Subtitle

15 "REPEALS CODE WHICH PROVIDES FOR THE  
16 REGISTRATION OF BINGO OPERATORS AND FOR  
17 THE LEVY OF A GROSS RECEIPTS TAX ON  
18 CERTAIN BINGO OPERATIONS."

19  
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

21  
22 SECTION 1. Arkansas Code 26-52-1501 is hereby repealed.

23 ~~SECTION 26-52-1501. Definitions.~~

24 ~~As used in this subchapter, unless the context otherwise requires:~~

25 ~~(1) "Director" means the Director of the Department of Finance and  
26 Administration or his authorized agents;~~

27 ~~(2) "Bingo" means a game in which each participant receives one (1) or  
28 more cards, including, but not limited to, pull-tab cards marked off into  
29 twenty-five (25) squares arranged on five (5) horizontal rows of five (5)  
30 squares each, or one (1) or more cards marked off into twenty-five (25)  
31 squares arranged on five (5) horizontal rows of five (5) squares each which  
32 are not pull-tab cards and, in addition thereto, one (1) or more pull-tab  
33 cards. Each square is designated by a number, letter, or by a combination of  
34 numbers and letters, except that the center square on the card shall be  
35 designated with the word "FREE." No two (2) cards shall be identical. As the  
36 announcer of the game announces a number, letter, or a combination of numbers~~

~~1 and letters, each player covers the square corresponding to the announced  
2 number, letter, or combination. The numbers, letters, or combinations of  
3 numbers and letters which are announced shall appear on an object selected by  
4 chance, either manually or mechanically, from a receptacle containing the  
5 objects bearing numbers, letters, or combinations of numbers and letters. The  
6 winner or winners of each game shall be the player who is or players who are  
7 first to properly cover a predetermined and announced pattern of squares upon  
8 the card or cards used by such player or players. A prize or prizes may be  
9 awarded to the winner or winners of a game;~~

~~10 (3) "Bingo operator" shall include any person who owns or operates a  
11 location or business within the State of Arkansas which offers the game of  
12 bingo;~~

~~13 (4) "Person" includes any individual, partnership, joint venture,  
14 corporation, estate, trust, nonprofit corporation, church, association, club,  
15 or organization;~~

~~16 (5)(A) "Gross receipts" or "gross proceeds" means the total amount of  
17 consideration for the sale of tangible personal property and such services and  
18 admissions as are herein specifically provided for, whether the consideration  
19 is in money or otherwise, without any deduction on account of the cost of the  
20 properties sold, labor service performed, interest paid, losses, or any  
21 expenses whatsoever.~~

~~22 (B) The term "gross proceeds" or "gross receipts" shall include the  
23 value of any goods, wares, merchandise, or property withdrawn or used from the  
24 established business or from the stock in trade of the established reserves  
25 for consumption or use by the bingo operator or by any other person;~~

~~26 (6)(A) "Sale" is declared to mean the transfer of either the title or  
27 possession for a valuable consideration of tangible personal property,  
28 regardless of the manner, method, instrumentality, or device by which the  
29 transfer is accomplished.~~

~~30 (B) "Sale" is also declared to include the exchange, barter, lease, or  
31 rental of tangible personal property.~~

~~32 (C) "Sale" shall also include the sale, giving away, exchanging, or  
33 other disposition of admissions, dues, or fees for admission to a bingo game  
34 location; and~~

~~35 (7) "Charitable or nonprofit organization" means any nonprofit  
36 tax-exempt religious, educational, veterans', fraternal, service, civic,~~

1 ~~medical, volunteer rescue service, or volunteer fire fighters' organization~~  
 2 ~~which has been in continuing existence in this state for a period of not less~~  
 3 ~~than five (5) years immediately prior to making application for registration,~~  
 4 ~~and which does not offer bingo on more than two (2) days during a consecutive~~  
 5 ~~seven-day period. An organization is tax-exempt if it has received from the~~  
 6 ~~Internal Revenue Service a determination letter that is currently in effect~~  
 7 ~~stating that the organization is exempt from federal income taxation under~~  
 8 ~~501(a), and if it is described in~~ § 501(c)(3), (10), or (19) ~~or~~ § 528 ~~of the~~  
 9 ~~Internal Revenue Code.~~

10

11 SECTION 2. Arkansas Code 26-52-1502 is hereby repealed.

12 ~~§ 26-52-1502. Imposition of tax.~~

13 ~~There is levied a tax of twenty percent (20%) on the total gross~~  
 14 ~~receipts derived from the retail sale of any device used in playing bingo, and~~  
 15 ~~any charge for admittance to a bingo game or other payment to play bingo,~~  
 16 ~~whether voluntary or not. The tax levied by this subchapter does not apply to~~  
 17 ~~sales of other tangible personal property by the bingo operator, if the~~  
 18 ~~property is not for use in playing bingo.~~

19

20 SECTION 3. Arkansas Code 26-52-1503 is hereby repealed.

21 ~~§ 26-52-1503. Exemptions.~~

22 ~~No exemptions or deductions shall be allowed from the tax levied by this~~  
 23 ~~subchapter, except as otherwise provided hereafter for charitable or nonprofit~~  
 24 ~~organizations. It is intended that charitable or nonprofit organizations~~  
 25 ~~which engage in only limited bingo operations as specified in this subchapter~~  
 26 ~~shall not be subject to the tax.~~

27

28 SECTION 4. Arkansas Code 26-52-1504 is hereby repealed.

29 ~~§ 26-52-1504. Annual registration with director required.~~

30 ~~(a)(1) All persons who act as a bingo operator within the State of~~  
 31 ~~Arkansas shall be required to register annually on July 1 of each year with~~  
 32 ~~the director.~~

33 ~~(2) Registration shall be made with the director upon forms designed~~  
 34 ~~and provided by him.~~

35 ~~(3) The director shall issue a certificate of registration which shall~~  
 36 ~~be posted conspicuously on all premises owned, leased, or controlled by the~~

1 ~~bingo operator where bingo is to be played.~~

2 ~~—— (b)(1) Registration shall be complete and a certificate issued upon~~  
 3 ~~submission of the properly completed forms and the payment of a five hundred~~  
 4 ~~dollar (\$500) nonrefundable annual registration fee by all bingo operators,~~  
 5 ~~except those who qualify as a charitable or nonprofit organization.~~

6 ~~—— (2)(A) Registration for charitable or nonprofit organizations shall be~~  
 7 ~~completed and a bingo tax exemption registration certificate issued upon the~~  
 8 ~~submission of the properly completed forms and payment of a twenty-five dollar~~  
 9 ~~(\$25.00) nonrefundable annual registration fee.~~

10 ~~—— (B) The bingo tax exemption registration certificate shall only be~~  
 11 ~~issued to those charitable or nonprofit organizations which qualify for that~~  
 12 ~~status under the specific requirements of this subchapter.~~

13 ~~—— (3) The registration fee shall not be prorated.~~

14 ~~—— (c)(1) Any person required to register under this section shall~~  
 15 ~~obtain a certificate of registration for each location where bingo games are~~  
 16 ~~played.~~

17 ~~—— (2) The registration certificate shall be conspicuously displayed at~~  
 18 ~~the location for which it was issued.~~

19 ~~—— (d)(1) The certificate shall be effective from the date of issuance~~  
 20 ~~until June 30 next following the date of issuance.~~

21 ~~—— (2) All registrations shall be renewed on an annual basis.~~

22 ~~—— (3) All registration renewals must be made on or before July 1 each~~  
 23 ~~year.~~

24 ~~—— (e) Failure to properly register or to report or pay the tax levied in~~  
 25 ~~this subchapter shall be a Class C felony.~~

26

27 SECTION 5. Arkansas Code 26-52-1505 is hereby repealed.

28 ~~—— § 26-52-1505. Authorized persons.~~

29 ~~—— (a) Persons who lease premises, sell or lease supplies or equipment, or~~  
 30 ~~furnish commodities or services to sponsoring organizations to conduct bingo~~  
 31 ~~games shall not participate in the operation of the bingo games.~~

32 ~~—— (b) No lease providing for a rental arrangement for premises or~~  
 33 ~~equipment for use in the game shall provide for payment in excess of the~~  
 34 ~~reasonable fair market rental rate for the premises or equipment, and in no~~  
 35 ~~case shall any payment be based on a percentage of gross receipts or proceeds.~~  
 36 ~~The reasonable fair market rental rate shall be determined by the director.~~

1 ~~—— (c) No person shall participate in conducting or managing the game of~~  
 2 ~~bingo for a charitable or nonprofit organization except a person who has been~~  
 3 ~~a bona fide member of the registered organization for at least two (2) years~~  
 4 ~~immediately preceding such participation and who volunteers his time and~~  
 5 ~~service necessary to conduct the game. Such person shall not be a paid~~  
 6 ~~employee of the registered organization or compensated specifically for~~  
 7 ~~conducting or managing the game of bingo for the charitable or nonprofit~~  
 8 ~~organization.~~

9 ~~—— (d) No person, firm, partnership, or corporation shall receive any~~  
 10 ~~remuneration, profit, or gift for participating in the management or operation~~  
 11 ~~of the game for a charitable or nonprofit organization, including the granting~~  
 12 ~~or use of bingo cards without charge or at a reduced charge, from the~~  
 13 ~~registered organization or from any other source.~~

14

15 SECTION 6. Arkansas Code 26-52-1506 is hereby repealed.

16 ~~—— § 26-52-1506. Administration - Rules and regulations.~~

17 ~~—— (a) The administration of this subchapter shall be vested in and shall~~  
 18 ~~be exercised by the director and shall be subject to the provisions of the~~  
 19 ~~Arkansas Tax Procedure Act, § 26-18-101 et seq.~~

20 ~~—— (b) The director shall promulgate rules and regulations and prescribe~~  
 21 ~~forms for the proper enforcement of this subchapter.~~

22 ~~—— (c) The tax levied by this subchapter shall be due and payable to the~~  
 23 ~~Department of Finance and Administration in the same manner as provided for by~~  
 24 ~~§ 26-52-501. However, tax payments under this subchapter shall be due and~~  
 25 ~~payable on the fifteenth of each month.~~

26

27 SECTION 7. Arkansas Code 26-52-1507 is hereby repealed.

28 ~~—— § 26-52-1507. Relationship to other taxes.~~

29 ~~—— (a) The taxes levied in § 26-52-1502 are in lieu of all state gross~~  
 30 ~~receipts taxes currently levied under § 26-52-101 et seq.~~

31 ~~—— (b) The taxes levied in § 26-52-1502 are in addition to all gross~~  
 32 ~~receipts taxes levied by cities or counties.~~

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