

Instructions for the Multiple-Beneficiary Permittee Quarterly Report

These instructions are designed to assist you in filing your multiple-beneficiary permittee (MBP) quarterly report through Revenue Online. All MBPs must file a quarterly report for each calendar quarter in which gaming activity was conducted, and the report is due by the last business day of the month following the end of the calendar quarter. In addition, the information submitted with your quarterly report will flow into your annual report. To start filing your quarterly report:

1. Go to <https://online-tax.alaska.gov/>
2. Login to your Revenue Online account by entering your username and password in the upper-right.
3. Under the 'My Accounts' tab, select the hyperlinked account ID to the left of the 'Gam MBP Qtly Rprt' account type.
4. Select the 'File Now' hyperlink to begin filing your quarterly report.

Note: You can select the 'Save Work' button in the bottom-left to save your progress at any time. When you return to the report, you will need to select the 'Change' tab in the upper-right to make changes to your previously saved work.

Changes to the Multiple-Beneficiary Quarterly Report

- 10/18/2018: Changed how sales tax paid by a permittee for vendor sales should be reported. If vendor pull-tab sales were subject to sales tax and the tax was not collected at the time of sale by the vendor, and was instead paid by the MBP, then the sales tax should be reported under 'Other Vendor Expenses' on Schedule AV.

Instructions

This is an informational page providing notice that quarterly reports must be filed in order. For example, you cannot start the second quarter report until the first quarter report has been submitted. Electronic copies of the following forms will need to be attached before the report can be submitted:

- Internal Revenue Service Form 941
- Employer contribution and wage reports submitted to the Department of Labor and Workforce Development

Contact Information

The person that is preparing the report should enter their contact information on this page. Current contact information assists the Department of Revenue, Tax Division in contacting you if we have any questions regarding your report.

Gaming Activity

Select 'Yes' if you conducted gaming activity during the calendar quarter. Once 'Yes' is chosen and you select next, you will not be able to change your answer. If you want to change your answer to this question, you will need to discard the report and start again.

Select 'No' if you did not conduct gaming activity during the calendar quarter.

MBP Permittees

This is an informational page that lists your member permittees based on your permit application. You can add any member permittees that are not listed through the blank fields located at the bottom of the 'MBP Members' table.

Game Types

This page lists the game types that you were authorized to conduct during the quarter based on your permit application. You can add additional game types by selecting the dropdown arrow located at the bottom of the 'Game Types Conducted' table.

Schedule D

Schedule D is used to report each pull-tab game that was closed during the quarter.

For pull-tab games that were sold to a vendor, use the date that the game was delivered to the vendor for the date opened and date closed fields. In addition, the 'ABC License #' should match the ABC license number on the vendor registration that you submitted.

An Excel template is provided by the Department of Revenue through the 'Excel Template Provided by the Department' hyperlink. Once this template is complete, you may upload the file using the 'Upload Excel File' hyperlink. You may also select the 'Add a Record' hyperlink to add a record for each individual game instead of using the Excel template.

The fields listed below are specific to using the 'Add a Record' hyperlink. However, the required fields will be similar on the Excel template. In addition, the required fields are different depending on if the pull-tab game was self-directed or sold to a vendor.

- **Sold By:** If your organization sold the pull-tab game itself, select 'Self' in this field. If the pull-tab game was sold to a vendor, select 'Vendor'.
- **ABC License #:** If the pull-tab game was sold to a vendor, enter the ABC License # of the vendor in this field. The ABC License # should match what was reported on the vendor registration that your organization submitted.
- **Sold By Name:** This field should automatically populate once you have entered the ABC License # of your vendor. If it does not, then the ABC License # does not match what your organization reported on the vendor registration.
- **Distributor License Number:** Enter the license number of the distributor that you purchased the pull-tab game from in this field.
- **Stamp ID:** Enter the State ID Stamp that was affixed to the pull-tab game in this field.
- **Ideal Gross Receipts:** Enter the ideal gross receipts from the pull-tab game in this field.
- **Ideal Prize Payouts:** Enter the ideal prize payouts from the pull-tab game in this field.
- **Ideal Net:** This field is automatically calculated based on the ideal gross receipts and ideal prize payouts that you entered.

- 3% Tax: This field is automatically calculated based on the ideal net.
- Date Delivered: Enter the date that the game was delivered to the vendor in this field.
- Date Opened: For self-conducted pull-tabs, enter the date that the pull-tab game was placed into play in this field.
- Date Closed: For self-conducted pull-tabs, enter the date that the pull-tab game was completed in this field.

Schedule C-1

Schedule C-1 is used to compute the cost of pull-tab and bingo inventory for the quarter. First select the inventory method that you use, both the percent complete and unopened game methods are allowed.

- Cost of Inventory of Unopened Games/unused Cards at Beginning of Quarter: In the first quarter in which you sell pull-tabs or bingo cards, the beginning inventory will be zero. In subsequent periods, the cost of beginning inventory is the ending inventory from the prior period.
- Cost of Pull-Tab Games or Bingo Cards Purchased: This line is used to report the cost of the games purchased during the quarter.
- Cost of Inventory of Unopened Games/Unused Cards at End of Quarter: Enter the cost of games that remain unopened at the end of the quarter. If you use a more precise inventory method such as percentage of completion, you may use that method for reporting your ending inventory.
- Cost of Games This Quarter: This field is automatically calculated and computes the cost of games placed in play during the period. This amount should be allocated between your member permittees and entered on Schedule A.
- Cost of Games Destroyed, Lost, Stolen, or Damaged: This field is used to enter the cost of games that were destroyed, lost, stolen, or damaged. These games should also be reported as withdrawn from sale through the 'Withdraw Pull-Tabs From Sales' hyperlinks that are available through both your quarterly and annual report accounts on Revenue Online.

Schedule AV

Schedule AV is used to report all sales of pull-tabs to vendor(s) registered under AS 05.15.188. Vendor pull-tabs needs to be listed on the 'Game Types' step of your quarterly report in order to view and enter information on Schedule AV. Furthermore, a vendor needs to be listed on the 'Sold By' field on Schedule D for a hyperlink to be available.

Your vendor should have paid you at least 70% of the ideal net upon delivery of the game; vendor compensation is the remaining 30% of ideal net.

Sales Tax: If vendor pull-tab sales were subject to sales tax and the tax was not collected at the time of sale by the vendor, and was instead paid by the MBP, then the sales tax should be reported under 'Other Vendor Expenses'.

- ABC License Number: This field is automatically populated from the information entered on Schedule D.
- Vendor Name: This field is automatically populated from the information entered on Schedule D.
- Ideal Gross Receipts: This field is automatically populated from the information entered on Schedule D. As a reminder, ideal gross receipts should not be adjusted for sales tax. See above for how to report sales tax.
- Federal Excise Taxes: Enter the federal excise tax on the sale of pull-tabs paid on games delivered to the vendor in this field. Do not include city sales tax or the 3% pull-tab tax paid when games are purchased here.
- Ideal Prizes: This field is automatically populated from the information entered on Schedule D. As a reminder, ideal prizes should not be adjusted for sales tax. See above for how to report sales tax.
- Adjusted Gross Income: This field is automatically populated from the information entered on Schedule D.
- Vendor Compensation: Enter the total compensation retained by your vendor when the vendor paid your organization for the pull-tab games in this field. Your vendor should have paid you at least 70% of ideal net upon delivery of the game; vendor compensation is generally the remaining 30% of ideal net.
- Cost of Pull-Tab Games: Line 5 from Schedule C-1 is the value that should be entered in this field. If you have multiple vendors, then the cost of pull-tab games should be allocated based on the games delivered to each vendor. Do not include the 3% pull-tab tax here.
- Pull-Tab Tax Paid: Enter the 3% pull-tab tax on the ideal net paid with the distributor invoice for the purchase of pull-tabs in this field. If you have multiple vendors, then enter the allocable amount of the pull-tab tax based on the games that were delivered to the vendor.
- Other Vendor Expenses: Enter other vendor-related expenses in this field. These expenses include the costs of game delivery to a vendor and accounting for vendor sales. If you report a value in this field, then please provide a detailed itemization of each expense in the required field provided.
- Total Expenses: This field is automatically calculated based on the expenses entered in the previous fields.
- Net Proceeds: This field is automatically calculated by subtracting total expenses from adjusted gross income.

Caution—do not include any expenses incurred by the vendor, only include permittee expenses in dealing with the vendor. Permittees are not allowed to pay or reimburse vendors for any expenses.

Schedule A is used to report the allocable share of net proceeds from each game type to member permittees. A separate row is displayed for each member permittee and game type. Compute each permittee member's share of gross receipts, federal excise tax, prizes, and expenses based on the member's percentage interest in the gaming activity. The same percentage must be used for all components of net proceeds.

Accrual accounting is required for bingo and pull-tabs on an annual basis. However, since the information reported on a quarterly report flows into the annual report, filing your quarterly report using the cash or modified cash basis will require amending the report before the annual report can be filed.

- Gross Receipts: Enter the allocable share of receipts for each gaming activity on this line. Sales tax collected is not considered part of the sales price of a gaming device, such as a pull-tab or bingo card. This is money owed to the municipality. It is not income from the gaming activity. Do not include this amount as gross receipts. If the sales tax is not collected as a percent of the ideal sales price ($\$1.00 \times 4\% \text{ tax} = 0.04 + 1.00 = \1.04 that should be collected, but only \$1.00 was collected), the sales tax paid to the municipality will reduce the reported gross receipts (ideal sales price of $\$1.00 - 0.04 = 0.96$ gross revenue from the sale of the pull-tab). When a check is written to the municipality for the sales tax owed, the amount should not be included in gaming expenses or taxes. The money was collected from the purchasers of the pull-tabs or bingo cards and is simply being forwarded to the municipality.
- Federal Excise Tax: Enter the allocable share of excise tax paid on the gross receipts. Do not include sales tax or the 3% pull-tab tax on this line.
- Cost of Prizes: Enter the allocable share of cost of prizes awarded on this line. Do not include donated prizes, only prizes awarded from gaming receipts should be reported on this line. However, donated prizes still count towards the annual prize limits.
- Adjusted Gross Income: This field is automatically calculated based on the information previously entered.
- Game-Related Expenses: Enter the allocable share of game-related expenses. If you conducted more than one type of gaming activity for a member permittee, and cannot determine the cost related to each activity, then the expense should be allocated between the gaming activities.
 - Only ordinary, necessary, and reasonable gaming expenses may be deducted. For example, rental fees and lease agreements that provide exorbitant returns to the owner or lessor of the property, and contractual agreements that provide exorbitant compensation for individuals, violate gaming statute and regulation.
 - Enter the allocable amount of Line 5 from Schedule C-1 for the cost of pull-tabs/bingo cards.

- The total authorized expense that may be deducted for advertising is limited under 15 AAC 160.780.
- Net Proceeds: This field is automatically calculated based on the information previously entered.

Caution: Expenses and prizes are limited on an annual basis. Although the limitation is not applied each quarter, the general limitations should be considered to avoid incurring violations for excess expenses and prizes.

Schedule A Totals

This is an informational page that displays the totals by game type based on the information that was reported on Schedule A. Additional detail is available by selecting the hyperlinked name of the specific game type. In addition, selecting a hyperlink will allow you to provide an explanation for the other expenses relating to that game type.

Schedule E

Schedule E is used to report each payment of net proceeds to member permittees. These payments are due to the permittee no later than the end of the month following the end of the quarter.

An Excel template is provided by the department through the 'Excel Template Provided by the Department' hyperlink. Once this template is complete, you may upload it using the 'Upload Excel File' hyperlink. You may also select the 'Add a Record' hyperlink to add a record for each individual payment of net proceeds instead of using the Excel template.

This schedule should include all payments of net proceeds for the quarter, even if the payment was made after the end of the quarter. This means that a report filed for the first quarter (January through March) will include checks issued in February, March, and April, since net proceeds are paid to authorizing permittees by the end of the following month. Do not include payments of net proceeds for prior quarters on this schedule.

Return Summary

This page displays the totals for each member permittee based on the information entered on Schedule A.

Caution: Net proceeds and net proceeds paid should match for each member permittee.

Donated Prizes

Select 'Yes' if you received donated prizes during the quarter. In addition, enter the value of the donated prizes to the best of your knowledge. Donated prizes should not be included on Schedule A.

Attachments

Select the hyperlinks to attach your IRS Form 941 and Employer Contributions and Wage Reports.

Summary

Once your report is complete, check the box declaring that the report is true and complete to the best of your knowledge.

Preparers need to select the 'If you are not the taxpayer in which this account is being filed, please click and fill out the preparer information' hyperlink, and fill out the required information before checking the box declaring that the report is true and complete to the best of your knowledge.

Selecting the 'Submit' button in the bottom-right will prompt you for your password. Entering your password and selecting 'Ok' acts as your E-Signature.
