

# Instructions for the Operator Quarterly Report

These instructions are designed to assist you in filing your operator quarterly report through Revenue Online. All operators 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 Oper Qtly Rprt' account type.
4. Select the 'File Now' hyperlink to begin filing your quarterly report.

You can select the 'Save Work' button in the bottom-left of the screen to save your progress at any time. When you return to the report, you will need to select the 'Change' button in the upper-right to edit your previously saved work. If you wish to discard your saved work, you can select the 'Discard' button. Lastly, if you want to view a PDF version of your saved work, select the 'Print' button.

## Who Must File

An operator is required to file a quarterly report for each calendar quarter in which gaming activities were conducted.

## Due Date of Report

The operator quarterly report is available the date after the end of the calendar quarter and is due by the last business day of the month following the end of the calendar quarter. In addition, a filing extension can be requested through your operator quarterly report account on Revenue Online. A hyperlink titled 'Request a Filing Extension' will be located in the upper-right of the account.

## Required Attachments

- Internal Revenue Service Form 941
- Employer Contribution and Wage Reports

## Changes to the Operator Quarterly Report

- 11/1/2018: A change was made to allow for negative operator fees on Schedule A.

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## 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 while filing this report:

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

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## 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 in contacting you if we have any questions regarding your report.

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## 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.

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## Contracted

This is an informational page that lists your authorizing permittees and associated game types based off of the contracts and quarterly reports that you have previously submitted through Revenue Online.

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## Schedule D

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

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.

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## Schedule C-1

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

Selecting a permittee's hyperlinked name will allow you to enter inventory information for that permittee.

- Cost of Inventory at Beginning of Quarter: In the first period in which you work as an operator for a permittee, 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: Report the cost of all pull-tab games purchased during the current period for the permittee. All pull-tab games purchased by an

operator must be assigned to a specific permittee at the time of purchase.

- 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 period. If you use a more precise inventory method such as percentage of completion, you may use that method for reporting purposes.
- Cost of Games This Quarter: This field is automatically calculated and computes the cost of pull-tab games placed in play for the permittee. This amount should be 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 at both your quarterly and annual report accounts in Revenue Online.

## Schedule A

Schedule A displays a row for each permittee and associated game type that was listed on your operator contracts for the period. Operators and permittees must use accrual accounting to report bingo and pull-tab gaming activity, and the closed game (ideal net) method is not allowed. Other game types can be reported using either the cash or modified cash method of accounting, see 15 AAC 160.830 for more information.

- Gross Receipts: Enter the total 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.
- Taxes: Enter the amount 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 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: Expenses that relate to more than one permittee, such as facility rental, must be allocated among the affected permittees. If you conducted more than one type of gaming activity for a permittee and cannot determine the cost related to each activity, allocate the expense among 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.
  - Pull-tab games and bingo cards are purchased by operators and assigned to specific permittees when purchased. Enter the amounts computed on 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.
  - Equipment purchases bought with gaming funds may be treated as a current expense. However, this equipment becomes the property of the permittee and must be returned to, or purchased from, the permittee upon termination of the contract.
  - Only report the operator fee that was actually charged to the permittee. In addition, a negative operator fee can be entered so that net proceeds and net proceeds paid match.
- Net Proceeds: This field is automatically calculated based on the information previously entered.

*Caution: Expenses are limited on an annual basis. If the total expenses for a specific gaming activity exceed the allowed limitation, any amount over the limitation must be reported but is nondeductible for computing the net proceeds due to the permittee. Although the limitation is not applied each quarter, the general limitations should be considered to avoid late payment of net proceeds and the imposition of interest on the unpaid balance.*

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## Schedule E

Schedule E is used to report each payment of net proceeds to authorizing permittees. These payments are due to the permittee within 15 days following the end of each month in which the gaming activity was conducted.

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 list the checks issued in February, March, and April since net proceeds are paid to authorizing permittees in the following month. For payments that were made between the end of the calendar quarter and 15 days following the end of the quarter, use the last day of the calendar quarter as the date. Do not include payments of net proceeds for prior quarters on this schedule.

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## Totals

This page displays the totals for each authorizing permittee from the information entered on Schedule A.

In addition, you can view the totals by game type and filter through the tabs located in the upper-right.

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

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## 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.

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## Attachments

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

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## 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.

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