

Hello from the Charitable Gaming Group!

The purpose of this newsletter is to provide permit and license holders the resources they need to manage their gaming account. As you know, all activity related to your gaming permit or license is conducted through your Revenue Online account.

NEW PUBLICATIONS AVAILABLE AT OUR WEBSITE www.tax.alaska.gov/gaming

- Who can play bingo?
- Operator fees – what should I know?

NEW PRESENTATIONS AVAILABLE AT OUR WEBSITE www.tax.alaska.gov/gaming

The following presentations are available at the gaming website under the Presentations link. [↗](#)
Once you are at our website, navigate to Links and choose Presentations.

- Accounting in Gaming
- Operator Reports to Permittees
- Pull-Tab Manufacturers

COMMON VIOLATION: The reported expenses exceed the limit(s), a violation of AS 05.15.160.

Excess expenses are one of the most common violations we see on the Annual Financial Statement, however with proactive monitoring it can usually be avoided.

Annually, gaming-related expenses are limited to 70 percent of adjusted gross income for pull-tabs and 90 percent of adjusted gross income for bingo and most other game types.

Consider reviewing Schedule AP on your 2018 Annual Financial Statement and take note of the Excess Expense Calculation. For example:

WORKSHEET: EXCESS EXPENSE CALCULATION

Game Type: Self-Directed Pull-Tabs

1. Adjusted Gross Income	14,500
2. Expense Percentage Limit	.70
3. AGI X Expense Percentage Limit (Line 1 x Line 2)	10,150
4. Total Expenses	12,000
5. Excess Expenses (Line 4 less Line 3)	1,850

In the example above on line 5, we can see the organization exceeded the 70 percent expense limit for pull-tabs by \$1,850. If your organization has exceeded the expense limit, or is close to exceeding the limit, consider monitoring gaming activity on a monthly or quarterly basis. This way, steps can be taken to reduce expenses before the end of the year. If you would like more information, please give us a call!

Sincerely,
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