

Summary

EGS Rule 10.22 "Gross Wagering Revenues"

The original rule passed in 2006 stated "Gross Wagering Revenues" means the total value of currency, coupons, gaming tickets, and electronic credits invested by a patron to activate the play of the EGS. When EGS operations began, the issue of whether promotional coupons or promotional electronic credits, provided by the franchise holder to patrons, should be included in gross wagering revenues. These promotional coupons or credit are given out by the franchise holder for differing amounts, such as \$10, to attract patrons to play the electronic games of skill in the hopes that the free \$10 will lead to the patron spending more of his or her own money. The \$10 supplied by the franchise holder is an advertising or promotional expense item. The issue presented was whether or not these coupons and credits should be included in the gross wagering revenue for purposes of calculating the state tax on the electronic games of skill. The Commission is of the opinion that state law does not authorize or require the franchise holders to pay the gaming tax on money they supply to patrons for promotions. Therefore, the rule was amended to make it clear that the calculation of gross wagering revenues would not include promotional credits and coupons furnished to patrons by the franchise holder at no cost to the patron.

10.22 "Gross Wagering Revenues" mean the total value of currency, coupons, gaming tickets, and electronic credits invested by a patron to activate the play of an EGS. However, "Gross Wagering Revenues" shall not include promotional coupons or promotional electronic credits provided by a franchise holder/Gaming Operator to a patron at no cost to the patron, which are used by the patron to make a wager on an EGS.

Mark-up

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