

Charitable Gaming 2020 Annual Report

Tax Division

Alaska Department of Revenue

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Table of Contents

	Page
Gaming Authority, Purpose and Definitions	1
Total Number of Gaming Permits and Licenses and Their Net Proceeds	2
Permittee Locations and Organization Types	. 3
Total Net Proceeds by Organization Type	4
Total Net Proceeds by Game Type	5
Comp. T. a. Butath	_
Game Type Details	6
Total 2020 Revenue Collected	7
Total 2020 Neveriue Collecteu	. /

Note: All data in this report is based on a calendar year and all data is current as of June 1, 2021.

An Overview and Definitions

Authority	AS 05.15 The Alaska Gaming Reform Act (Act) and 15 AAC 160 Authorized Games of Skill and Chance
Purpose	The Act provides a means for permittees to generate net proceeds for political, educational, civic, public, charitable, patriotic, and religious uses in the state.
Game Types	Bingo, raffles and lotteries, pull-tab games, authorized classics (i.e. ice classics, cabbage classics), fish and moose derbies, Calcutta pools, and contests of skill.
Definitions	
Pull-Tab Distributor	A for-profit business licensed to distribute pull-tabs to permittees and operators.
Pull-Tab Manufacturer	A for-profit business licensed to sell pull-tabs to distributors.
Operator	A for-profit business licensed to conduct gaming activities on behalf of a permittee.
Vendor	A for-profit business that sells pull-tabs on behalf of a permittee, from a location licensed by the Alcoholic Beverage Control Board.
Multiple-Beneficiary Permittee (MBP)	Two to six municipalities or qualified organizations that jointly obtain a permit in order to aggregate prize limits.
Permittee	A municipality or qualified organization that holds a permit to conduct gaming activities.
Qualified Organization	Includes civic or service organizations, religious, charitable, fraternal, veterans, labor, political and education organizations, police and fire departments, associations and derbies, nonprofit trade associations.
Gross Receipts	The amount collected for all chances to win a prize in a gaming activity.
Net Proceeds	Amount retained by permittees after prizes, taxes and expenses are deducted from gross receipts.

Who was issued a permit or license in 2020 and how much money did they raise? How does that compare with 2019?

	2020														
			Gross		Federal		Cost of		Adjusted		Total		Net		
	Count		Receipts		Excise Tax		Prizes	G	iross Income		Expenses		Proceeds		
Permittees	1,058	\$	105,115,925	\$	159,405	\$	77,711,917	\$	27,244,603	\$	15,007,529	\$	12,237,074		
Multiple-Beneficiary Permittees	13		55,686,342		8,390		44,345,200		11,332,752		8,766,603		2,566,150		
Vendors	174		36,488,362		24,917		28,934,756		7,528,690		3,755,151		3,773,539		
Operators	24		93,459,470		190,541		71,627,895		21,641,034		16,227,819		5,413,215		
Total	1,269	\$	290,750,099	\$	383,252	\$	222,619,767	\$	67,747,080	\$	43,757,101	\$	23,989,979		

Pull-Tab Manufacturers 7
Pull-Tab Distributors 8

2019

		Gross	Federal	Cost of		Adjusted	Total	Net
	Count	Receipts	Excise Tax	Prizes	G	iross Income	Expenses	Proceeds
Permittees	1,101	\$ 149,711,684	\$ 165,580	\$ 109,967,009	\$	39,579,096	\$ 18,893,603	\$ 20,685,492
Multiple-Beneficiary Permittees	13	77,269,375	11,405	60,625,212		16,632,757	11,834,354	4,798,404
Vendors	165	40,732,412	17,115	32,439,528		8,275,769	4,055,567	4,220,202
Operators	24	117,512,615	174,116	89,321,211		28,017,287	21,100,511	6,916,776
Total	1,303	\$ 385,226,086	\$ 368,216	\$ 292,352,960	\$	92,504,909	\$ 55,884,035	\$ 36,620,874

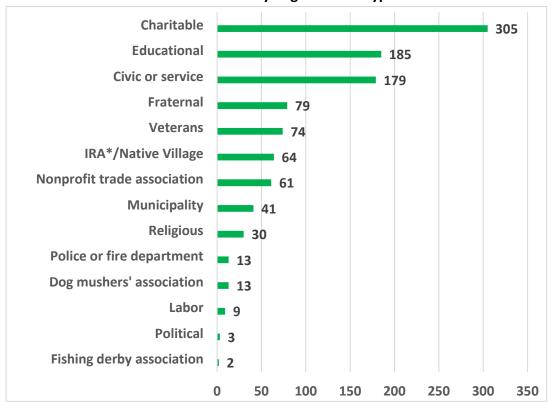
Pull-Tab Manufacturers 8
Pull-Tab Distributors 8

Note: Pull-tab manufacturers and distributors do not conduct gaming activities.

Permits - How many are issued, what types of organizations hold them, and where are they based?

Number of Permits Issued in a Calendar Year	2020	2019
Multiple-Beneficiary Permittees	13	13
Permittees	1,058	1,101

Number of Permits by Organization Type in 2020



	2020	
Where Permit		Percent of Total
Holders Are Based	Count	Permit Holders
Fairbanks	135	13%
Juneau	65	6%
Wasilla	44	4%
Ketchikan	36	3%
Soldotna	29	3%
Homer	28	3%
Palmer	26	2%
Kenai	22	2%
Kodiak	21	2%
Eagle River	19	2%
North Pole	14	1%
Haines	11	1%
Other	335	32%
Total	1,058	100%
		-

^{*} The Indian Reorganization Act, also called the Wheeler-Howard Act, was enacted by the U.S. Congress in 1934.

How much do organizations raise from Charitable Gaming?

				20	20					
Organization Type		Gross	Federal	Cost of		Adjusted	Total			Net
Organization Type	Receipts		Excise Tax	Prizes	G	iross Income		Expenses		Proceeds
Charitable	\$	96,350,484	\$ 86,996	\$ 73,562,734	\$	22,700,754	\$	15,370,881	\$	7,329,872
Civic or Service		42,404,313	85,466	32,229,083		10,089,764		6,170,365		3,919,399
Educational		33,497,925	52,089	25,937,166		7,508,671		4,470,434		3,038,237
Fishing Derby Association		201,451	-	71,995		129,455		58,628		70,828
Fraternal		20,232,563	13,018	15,873,324		4,346,221		2,545,599		1,800,622
IRA ¹ / Native Village		27,760,438	31,464	20,282,898		7,446,077		4,480,267		2,965,810
Labor		1,073,928	1,239	742,643		330,046		252,484		77,562
Municipality		18,804,627	53,185	14,921,933		3,829,510		3,227,865		601,644
Nonprofit Trade Association		15,736,682	29,006	12,216,718		3,490,958		2,144,343		1,346,616
Police or Fire Department		2,762,486	4,623	2,113,544		644,319		403,261		241,058
Political		7,450	-	2,685		4,765		106		4,659
Religious		7,371,872	3,425	5,574,971		1,793,476		1,404,181		389,296
Veterans		20,807,650	20,150	16,532,622		4,254,878		2,525,532		1,729,346
Total	\$	287,011,870	\$ 380,660	\$ 220,062,316	\$	66,568,895	\$	43,053,947	\$	23,514,948

¹ The Indian Reorganization Act, also called the Wheeler-Howard Act, was enacted by the U.S. Congress in 1934.

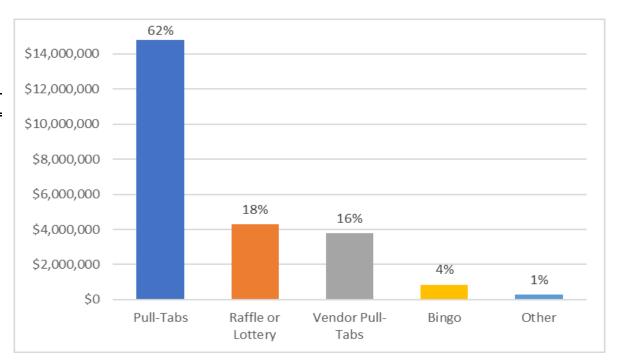
How much is raised by each game type?

2020	١

Como Tuno		Net	Percent						
Game Type		Proceeds	of Total						
Pull-Tabs	\$	14,788,361	62%						
Raffle or Lottery		4,297,828	18%						
Vendor Pull-Tabs		3,773,539	16%						
Bingo		851,254	4%						
Other Category		278,997	1%						
Total	\$	23,989,979	100%						

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		2020	
Other Category		Net	
Other Category	ı	Proceeds	
Special Draw Raffle	\$	147,405	
Ice Classic		103,120	
Fish Derby		11,652	
Calcutta Pool		8,924	
Contest of Skill		7,801	
Animal Classic (Rat)		7,286	
Snow Classic		3,216	
Rain Classic		(127)	
Dog Musher Contest		(10,278)	
Total Other Category	\$	278,997	1%



Who generates the most money for the game types of pull-tabs, bingo, and raffles in 2020?

Pull-Tabs	Gross Receipts	Federal Excise Tax	Cost of Prizes	Adjusted Gross Income (AGI)	Total Expenses	Net Proceeds	Gaming Expenses as a % of AGI	Net Proceeds as a % of AGI
Multiple Beneficiary Permittee	\$ 41,198,584	\$ 8,390	\$ 33,395,813	\$ 7,794,381	\$ 5,267,254	\$ 2,527,127	68%	32%
Operator	76,022,340	190,132	59,801,217	16,030,992	11,196,780	4,834,211	70%	30%
Self Directed	88,289,020	126,992	68,888,829	19,273,199	11,846,176	7,427,023	61%	39%
Vendor	36,488,362	24,917	28,934,756	7,528,690	3,755,151	3,773,539	50%	50%
Total	\$ 241,998,306	\$ 350,430	\$ 191,020,615	\$ 50,627,261	\$ 32,065,361	\$ 18,561,900	63%	37%

With respect to pull-tabs sold by multiple beneficiary permittees, 100 percent of net proceeds must be remitted to member permittees.

With respect to pull-tabs sold by operators, 100 percent of net proceeds must be remitted to a permittee and must total at least 30 percent of adjusted gross income on an annual basis. Expenses related to pull-tabs may not exceed 70 percent of adjusted gross income.

Bingo	Gross Receipts	E	Federal Excise Tax	Cost of Prizes	Adjust Gros Income (5	Total Expenses	Net Proceeds	Gaming Expenses as a % of AGI	Net Proceeds as a % of AGI
Multiple Beneficiary Permittee	\$ 14,435,120	\$	-	\$ 10,912,749	\$ 3,522	,371	\$ 3,489,471	\$ 32,901	99%	1%
Operator	16,704,002		-	11,405,976	5,298	,026	4,765,168	532,858	90%	10%
Self Directed	7,183,077		22,823	5,108,447	2,051	,807	1,766,312	285,495	86%	14%
Total	\$ 38,322,200	\$	22,823	\$ 27,427,172	\$ 10,872	,205	\$ 10,020,951	\$ 851,254	92%	8%

With respect to bingo conducted by multiple beneficiary permittees, 100 percent of net proceeds must be remitted to member permittees.

With respect to bingo conducted by operators, 100 percent of net proceeds must be remitted to a permittee and must total at least 10 percent of adjusted gross income on an annual basis. Expenses related to bingo may not exceed 90 percent of adjusted gross income.

Raffles*	Gross Receipts	E	Federal Excise Tax	Cost of Prizes	Adjusted Gross come (AGI)	Total Expenses	Net Proceeds	Gaming Expenses as a % of AGI	Net Proceeds as a % of AGI
Multiple Beneficiary Permittee	\$ 52,638	\$	-	\$ 36,638	\$ 16,000	\$ 9,878	\$ 6,122	62%	38%
Operator	427,246		409	219,390	207,447	172,324	35,123	83%	17%
Self-Directed	8,740,351		9,590	3,391,661	5,339,101	935,114	4,403,987	18%	82%
Total	\$ 9,220,236	\$	9,999	\$ 3,647,689	\$ 5,562,548	\$ 1,117,315	\$ 4,445,232	20%	80%

With respect to raffles conducted by multiple beneficiary permittees, 100 percent of net proceeds must be remitted to member permittees.

With respect to raffles conducted by operators, 100 percent of net proceeds must be remitted to a permittee and must total at least 10 percent of adjusted gross income on an annual basis. Expenses related to raffles may not exceed 90 percent of adjusted gross income.

^{*} Includes Special Draw Raffles

How much does the State of Alaska collect from the Charitable Gaming Program?

Taxes and Fees Collected in a Calendar Year	2020	2019	2018
Pull-Tab Tax	\$ 1,630,641	\$ 2,133,228	\$ 2,094,167
Net Proceeds Fee	399,859	396,156	330,476
License and Permit Fees	116,241	133,865	125,908
Total Revenue	\$ 2,146,741	\$ 2,663,249	\$ 2,550,551

