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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-FOURTH SESSION

H. F. No. 172

02/10/2025

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The bill was read for the first time and referred to the Committee on Taxes

1.1

A bill for an act

1.2

relating to taxation; charitable gambling; reducing rates and making corresponding

1.3

changes to brackets for the combined net receipts tax; amending Minnesota Statutes

1.4

2024, section 297E.02, subdivision 6.

1.5

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6

Section 1. Minnesota Statutes 2024, section 297E.02, subdivision 6, is amended to read:

1.7

Subd. 6. **Combined net receipts tax.** (a) In addition to the taxes imposed under

1.8

subdivision 1, a tax is imposed on the combined net receipts of the organization. As used

1.9

in this section, "combined net receipts" is the sum of the organization's gross receipts from

1.10

lawful gambling less gross receipts directly derived from the conduct of paper bingo, raffles,

1.11

and paddlewheels, as defined in section 297E.01, subdivision 8, and less the net prizes

1.12

actually paid, other than prizes actually paid for paper bingo, raffles, and paddlewheels, for

1.13

the fiscal year. The combined net receipts of an organization are subject to a tax computed

1.14

according to the following schedule:

1.15

If the combined net receipts

1.16

for the fiscal year are:

1.17

Not over \$87,500

1.18

Over \$87,500, but not over

1.19

\$122,500

1.20

1.21

Over \$122,500, but not

1.22

over \$157,500

1.23

1.24

Over \$157,500

1.25

1.15

The tax is:

1.17

~~eight~~ seven percent

1.18

~~\$7,000~~ \$6,125 plus ~~17~~ 15 percent of

1.19

the amount over \$87,500, but not over

1.20

\$122,500

1.21

~~\$12,950~~ \$11,375 plus ~~25~~ 22 percent

1.22

of the amount over \$122,500, but not

1.23

over \$157,500

1.24

~~\$21,700~~ \$19,075 plus ~~33.5~~ 30 percent

1.25

of the amount over \$157,500

2.1 (b) Gross receipts derived from sports-themed tipboards are exempt from taxation under  
2.2 this section. For purposes of this paragraph, a sports-themed tipboard means a sports-themed  
2.3 tipboard as defined in section 349.12, subdivision 34, under which the winning numbers  
2.4 are determined by the numerical outcome of a professional sporting event.

2.5 **EFFECTIVE DATE.** This section is effective July 1, 2025.