
SUBSTITUTE HOUSE BILL 2543

State of Washington

54th Legislature

1996 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Cairnes, Sheldon, Cody, Thompson, Romero, Conway, Fuhrman, Radcliff, Chappell, Crouse, Mastin, Schoesler, Huff, Hymes, Wolfe, D. Schmidt, Morris, Grant, Kessler, Brown, Quall, Benton, Costa and Patterson)

Read first time 01/31/96.

1 AN ACT Relating to taxation of gambling activities; and amending
2 RCW 9.46.110.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 9.46.110 and 1994 c 301 s 2 are each amended to read
5 as follows:

6 The legislative authority of any county, city-county, city, or
7 town, by local law and ordinance, and in accordance with the provisions
8 of this chapter and rules and regulations promulgated hereunder, may
9 provide for the taxing of any gambling activity authorized by this
10 chapter within its jurisdiction, the tax receipts to go to the county,
11 city-county, city, or town so taxing the same: PROVIDED, That any such
12 tax imposed by a county alone shall not apply to any gambling activity
13 within a city or town located therein but the tax rate established by
14 a county, if any, shall constitute the tax rate throughout the
15 unincorporated areas of such county: PROVIDED FURTHER, That (1) punch
16 boards and pull-tabs, chances on which shall only be sold to adults,
17 which shall have a (~~fifty-cent~~) one dollar limit on a single chance
18 thereon, shall be taxed on a basis which shall reflect only the gross
19 receipts less the amount paid for as prizes from such punch boards and

1 pull-tabs; and (2) no punch board or pull-tab may award as a prize upon
2 a winning number or symbol being drawn the opportunity of taking a
3 chance upon any other punch board or pull-tab; and (3) all prizes for
4 punch boards and pull-tabs must be on display within the immediate area
5 of the premises wherein any such punch board or pull-tab is located and
6 upon a winning number or symbol being drawn, such prize must be
7 immediately removed therefrom, or such omission shall be deemed a fraud
8 for the purposes of this chapter; and (4) when any person shall win
9 over twenty dollars in money or merchandise from any punch board or
10 pull-tab, every licensee hereunder shall keep a public record thereof
11 for at least ninety days thereafter containing such information as the
12 commission shall deem necessary: AND PROVIDED FURTHER, That taxation
13 of bingo and raffles shall never be in an amount greater than ten
14 percent of the gross revenue received therefrom less the amount paid
15 for or as prizes. Taxation of amusement games shall only be in an
16 amount sufficient to pay the actual costs of enforcement of the
17 provisions of this chapter by the county, city or town law enforcement
18 agency and in no event shall such taxation exceed two percent of the
19 gross revenue therefrom less the amount paid for as prizes: PROVIDED
20 FURTHER, That no tax shall be imposed under the authority of this
21 chapter on bingo or amusement games when such activities or any
22 combination thereof are conducted by any bona fide charitable or
23 nonprofit organization as defined in this chapter, which organization
24 has no paid operating or management personnel and has gross income from
25 bingo or amusement games, or a combination thereof, not exceeding five
26 thousand dollars per year, less the amount paid for as prizes. No tax
27 shall be imposed on the first ten thousand dollars of net proceeds from
28 raffles conducted by any bona fide charitable or nonprofit organization
29 as defined in this chapter. Taxation of punch boards and pull-tabs
30 shall not exceed (~~five~~) ten percent of gross receipts less the amount
31 paid for as prizes, nor shall taxation of social card games exceed
32 (~~twenty~~) ten percent of the gross revenue from such games less the
33 amount paid for as prizes, nor exceed ten percent of the gross revenue
34 retained as winnings by the licensed card room operator in the event
35 they are authorized to participate as the banker pursuant to RCW
36 9.46.0281.

37 Taxes imposed under this chapter become a lien upon personal and
38 real property used in the gambling activity in the same manner as
39 provided for under RCW 84.60.010. The lien shall attach on the date

1 the tax becomes due and shall relate back and have priority against
2 real and personal property to the same extent as ad valorem taxes.

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