

# Notice

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**Body:**

## **Kansas Department of Revenue**

### **NOTICE 00-01**

**June 23, 2000**

### **Bingo Law Changes Effective July 1, 2000**

The following is a summary of changes to Kansas Bingo laws created by passage of House Bill 2013, which will become effective on July 1, 2000. If you have any questions, please contact Joyce Bartel at the Kansas City Metro Assistance Center at (913) 631-0296 extension 206.

1. New Administrator position created. An administrator of charitable gaming is to be appointed and supervised by the Secretary of Revenue. The Administrator will coordinate bingo administration within the Department, including field inspections, audits, licensing, tax collection and education.
2. "Gator" instant bingo tickets. Under these games, the prizes for up to three instant bingo games per session may be selected by matching a letter, number or symbol under the tab of an instant bingo ticket with a letter, number or symbol in a designated call bingo game. This legalizes the instant bingo games known as "Gator" and "American Flash," which had previously been ruled as illegal. A game is defined as one box of tickets. There is no limit on the number of tickets that can be in each box or game. More than one prize can be awarded in each game. A "Gator" game cannot be carried over from one session to the next. Other instant bingo tickets such as "Seal Cards" and "Take-A-Spin," which select the winners by using a separate game of chance, remain illegal.
3. Progressive games. The call bingo game named "progressive bingo" is formally recognized and has its own prize limits that are different from the prize limits on regular and special call bingo games. Progressive games are included in the limit of 25 games per session but not in the total limit of \$1,200 in prizes that may be awarded for call bingo games during a session. The initial prize may not exceed \$250 and may not be increased by more than \$100 for each subsequent session in which the game is continued. The upper prize limit for this game is \$1,000. The definition of a progressive game states that a licensee may raise the number of balls called to win from one session to another, or the licensee may raise both the number of balls called and the prize amount. However, licensees may not raise only the prize amount from one session to another. If there is no winner at a progressive game during a session, then a consolation prize not to exceed \$250 may be awarded. Licensees will post house rules for each progressive game and the rules shall remain in effect until there is a winner. No more than two progressive games may be conducted each session and no progressive game may run for more than 20 consecutive sessions without awarding the established prize. The maximum charge for each face is \$1. [Previous law did not mention "progressive" call bingo games. Some licensees previously conducted games called by this name, but these were actually just a form of "special" call bingo games as defined in current law, and were subject to the limits of 25 games and \$1,200 in prizes per session.]
4. Mini or early bird games. The call bingo game named "mini or early bird" is formally recognized and has its own prize limits that are different from the prize limits on regular and special call bingo games. The limit on the prize paid for each game is \$50 or 50% of the gross receipts from the game, whichever is less. The prizes awarded in mini games are exempt from the overall prize limit total of \$1,200 per session. Mini games are exempt from the 25 games per session limit but a maximum of 20 mini games may be conducted each session. Mini games may be played only during the hour before the commencement of the first regular or special call bingo game. The maximum charge for each face is \$1. [Previous law did not mention "mini" call bingo games. Some licensees have previously conducted games called by this name, but they were actually just a form "regular" or "special" call bingo games as defined in

current law, and were subject to the session limits of 25 games and \$1,200 in prizes.]

5. Monthly report. Licensees must file monthly reports which state the number of bingo faces purchased and the identity of the distributor(s) from which they were purchased during the preceding month. [Previous law did not require licensees to report this information.]

6. Drawings. Up to four drawings per calendar year may be conducted during bingo sessions by either the licensee or the premises lessor, with a maximum of one drawing per session. Only one non-cash prize may be awarded for each drawing and is limited to a value of no more than \$25. There can be no charge for participation or any requirement to purchase something of value in order to participate in the drawings. [Previous law prohibited any game of skill or game of chance other than bingo from being conducted during bingo sessions as an inducement to play bingo.]

7. Discontinuation of hard cards. The distribution, sale or use of bingo (hard) cards for call bingo games is generally prohibited effective July 1, 2003. The administrator may adopt rules and regulations that provide for exceptions. The most likely exceptions will be for handicapped players and for licensees conducting occasional, small bingo games.

8. Prizes paid by check. Any call bingo prize of \$500 or more must be paid by check. However, the winner of any prize may request payment by check. [Previous law provided that call bingo prizes of \$100 or more had to be paid by check drawn on the licensee's bingo trust account.]

9. Enforcement tax change. The 3% bingo enforcement tax will be replaced by a 2/10th of a cent (\$0.002) per face tax on all bingo faces sold by distributors to licensees. The tax will be collected by the distributors at the time of sale and remitted to KDOR by the distributor.

The 3% bingo enforcement tax on the proceeds from the sale of (hard) bingo cards and admission fees to bingo games will remain the same. Consequently, if a licensee sells mostly paper faces, but has a few people who continue to play with the hard cards, it will be necessary for the licensee to calculate the enforcement tax on the hard cards and file a monthly return with the tax payment.

The 1% bingo enforcement tax on the retail sales price of instant bingo tickets sold by distributors to licensees will remain the same.

10. Sales tax decrease. Receipts from the sale of call bingo faces and hard cards, instant bingo tickets, and admission fees will continue to be subject to the state sales tax (4.9%) but are exempt from the sales taxes imposed by cities and counties. On July 1, 2001, the state sales tax rate on all bingo will drop from 4.9% to 2.5%. The sales tax on bingo will be dropped entirely on July 1, 2002.

**Date Composed: 06/27/2000 Date Modified: 10/09/2001**

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