

Chapter 3.20

GAMBLING TAX

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3.20.010 **Definitions.** For the purposes of this chapter, the words and terms used shall have the same meaning as each has under Chapter 218, Laws of 1973, 1st Ex. Sess., and the Washington State Gambling Commission, Chapter 230 WAC, unless otherwise specifically provided or the context in which they are used in this chapter clearly indicates that they be given some other meaning. (Ord. 391 SI (part), 1981.)

3.20.020 **Certain activities authorized.** The city council authorizes bona fide charitable or nonprofit or other persons, associations or organizations approved by the Washington State Gambling Commission and licensed thereby, to conduct bingo games, raffles, amusement games, social card games, punchboards and pull tabs in accordance with the provisions of Chapter 9.46 RCW, and the rules and regulations adopted pursuant thereto; provided, bona fide charitable or bona fide nonprofit organizations organized primarily for purposes other than the conduct of raffles are authorized to conduct raffles without obtaining a license to do so from the Washington State Gambling Commission when such raffles are held in accordance with all other requirements of the laws of the state, Chapter 9.46 RCW, other applicable laws, and the rules of the Washington State Gambling Commission; when gross revenues from all such raffles held by the organization during the calendar year do not exceed five thousand dollars. (Ord. 391 SI (part), 1981.)

3.20.030

Tax levies. There is levied upon all persons, associations, and organizations conducting or operating within this jurisdiction any of the activities listed below, a tax in the following amounts to be paid to the City:

- A. Commercial stimulant operators and all those other than bona fide charitable or nonprofit organizations as defined by RCW 9.46.110, taxation shall be as follows:
 - 1. Punch board and pull tabs shall be two percent (2%) of the gross receipts from the operation of the games;
 - 2. Bingo and raffles shall be five percent (5%) of the gross receipts from a bingo game or raffle less the amount awarded as cash or merchandise prizes;
 - 3. Amusement games, as defined by Section 230-20-508 of the Washington Administrative Code, shall be two percent (2%) of the gross receipts from the amusement game less the amount awarded as prizes; and
 - 4. Taxation on social card games shall be twenty percent (20%) of the gross revenue from such games.

- B. For bona fide charitable or nonprofit organizations, as defined by Chapter 9.46 of the Revised Code of Washington, a tax in the following amounts shall be paid to the City:
 - 1. No tax shall be imposed upon bingo or amusement games when such activities or any combination thereof are conducted by any bona fide charitable or nonprofit organization, which organization has no paid operating or management personnel and has gross receipts from bingo or amusement games, or a combination thereof, not exceeding \$5,000.00 per year, less the amount awarded as cash or merchandise prizes. All bona fide charitable or nonprofit organizations not meeting the restrictions above, shall pay tax on bingo in the amount of five percent (5%) of the gross receipts from a bingo game less the amount awarded as cash or merchandise prizes, and a tax on amusement games in an amount equal to two percent (2%) of the gross receipts from the amusement games less the amount awarded as prizes;
 - 2. For raffles, no tax shall be imposed on the first \$10,000.00 of gross receipts less the amount awarded as cash or merchandise prizes, and five percent (5%) of the gross receipts in excess of the first \$10,000.00 of gross receipts shall be five percent (5%) of the remaining gross receipts less the amount awarded as cash or merchandise prizes; and

3. Punch boards and pull tabs shall be in an amount equal to two percent (2%) of the gross receipts from the operation of the games less the amount awarded as cash or merchandise prizes.

C. The operation of punch boards and pull tabs shall be subject to the limitations and conditions imposed by RCW 9.46.110. (Ord. 753, February 2003; Ord. 693, January 2000.)

3.20.040 **Quarterly payment.** The tax levied under this chapter shall be paid quarterly for the preceding three-month period, or a portion thereof, on or before the thirty-first day of January, the thirtieth day of April, the thirty-first day of July, and the thirty-first day of October, at the office of the treasurer, City Hall; provided, however, that those persons conducting activities subject to taxation under this chapter less frequently than once every two months, shall pay the tax for each taxable activity at the office of the treasurer, City Hall, within thirty days following the date upon which the activity was conducted. (Ord. 687, 1999.)

3.20.050 **Administration and collection of taxes.** Administration and collection of the taxes imposed by this chapter shall be the responsibility of the treasurer. The tax required under this chapter shall be accompanied by a completed return form prescribed and provided by the treasurer. The taxpayer shall be required to swear and affirm that the information given in the return is true, accurate and complete. (Ord. 391SI (part), 1981.)

3.20.060 **Report to gambling commission.** In addition to the return form, a copy of the taxpayer's quarterly report to the Washington State Gambling Commission required by WAC 230.08 for the period in which the tax accrued, shall accompany remittance of the tax amount due. (Ord. 391 SI (part), 1981.)

3.20.070 **Delinquent payment -- Penalty.** If full payment of any tax or fee under this chapter is not received by the city treasurer on or before the date due, a penalty shall be charged in an amount equal to fifty percent of the tax due, but in no event shall the penalty be less than twenty-five dollars. In addition to this penalty, the city treasurer may charge the taxpayer interest of one percent of all taxes and fees due for each month, or portion thereof, that the amounts are past due. (Ord. 391 SI (part), 1981.)

3.20.080 **Delinquent payment -- Violation.** Failure to make payment in full of all tax amounts, and penalties, within two days following the day the tax amount initially becomes due, shall be both a civil and a criminal violation of this chapter. (Ord. 391 SI (part), 1981.)

- 3.20.090** **Delinquency does not remove liability.** Failure to timely file shall not excuse any person, association or organization from any tax liability. (Ord. 391 SI (part) 1981.)
- 3.20.100** **Filing of declaration of intent.** In order that the city may identify those persons who are subject to taxation under this chapter, each person, association or organization shall file with the city treasurer a sworn declaration of intent to conduct an activity taxable under this chapter upon a form to be prescribed by the city treasurer, together with a copy of a license issued therefor by the Washington State Gambling Commission. The following shall be made no later than ten days prior to conducting or operating the taxable activity. No fee shall be charged for such filing, which is not for the purpose of regulation of this activity but for the purpose of administration of this chapter only. (Ord. 391 SI (part), 1981.)
- 3.20.110** **Records -- Required.** Each person, association or organization engaging in an activity taxable under this chapter shall maintain records respecting that activity which truly, completely and accurately disclose all information necessary to determine the taxpayer's tax liability under this chapter, which shall be made available to the city for inspection at reasonable times and circumstances. Any costs associated therewith shall be borne by the taxpayer. (Ord. 391 SI (part), 1981.)
- 3.20.120** **Failure to make return.** If any taxpayer fails, neglects or refuses to make and file his return as and when required under this chapter, the city treasurer is authorized to determine the amount of tax payable, together with any penalties and/or interest assessed under the provisions of this chapter, and by mail to notify such taxpayer of the amount so determined, which amount shall thereupon become the tax and penalty and/or interest and shall become immediately due and payable. (Ord. 391 S1 (part), 1981.)
- 3.20.130** **Tax additional to others.** The tax levied in this chapter shall be additional to any license fee or tax imposed or levied under any law, or any other ordinance of the city, except as otherwise in this chapter expressly proved. (Ord. 391 SI (part), 1981.)
- 3.20.140** **Taxes, penalties and fees constitute debt to city.** Any tax due and unpaid under this chapter and all penalties or fees shall constitute a debt to the city, a municipal corporation, and may be collected by court proceedings the same as any other debt in like amount which shall be in addition to all other existing remedies. (Ord. 391 SI (part), 1981.)

3.20.150 **Violation -- Penalties.**

- A. Any person violating or failing to comply with any of the provisions of this chapter, upon conviction thereof, shall be punished by a fine in the sum not to exceed five hundred dollars.

- B. Any taxpayer who is engaged in, or carries on, any gambling activity subject to a tax under this chapter without having complied with the provisions of this chapter shall be guilty of a violation of this chapter for each day during which the gambling activity is carried on. (Ord. 391 SI (part), 1981.)

3.20.160 **Effective Dates -- Exemption.** The effective date of the imposition of the gambling tax shall be January 1, 1991. All gambling activities regulated hereby, shall be exempt from taxation prior to January 1, 1991. (Ord. 551, July 1991.)

3.20.170 **Lien Authorization.** Taxes imposed under this chapter shall become a lien upon personal and real property used in the gambling activity in the same manner as provided for under RCW 84.60.010. The lien shall attach on the date the tax becomes due and shall relate back and have priority against real and personal property to the same extent as ad valorem taxes. (Ord. 693, January 2000.)