



Bingo Supplies and Equipment

GENERAL INFORMATION

Tax-exempt organizations (charitable, religious, scientific, etc.) which purchase bingo supplies and equipment to be used for fund raising purposes must pay sales tax on these items. An exception is made for schools, as state statute exempts all purchases made by schools (other than schools held or conducted for private profit) from taxation. The law provides that all other tax-exempt organizations may purchase tax exempt only those goods which are used in their regular charitable activities. Fund raising is not considered a charitable activity; therefore, supplies purchased for fund raising activities are not exempt.

ADDITIONAL INFORMATION

Bingo supplies and equipment are not used directly by the organization, but are transferred to, and used by, the bingo patrons. However, this transference is not considered to be a retail sale, and cannot be considered a tax-free purchase under the resale exemption. Bingo is a service, and bingo operators are considered to be the consumers of their supplies. Therefore, organizations that operate bingo games are taxed on their supplies.

THE ABOVE INFORMATION IS A SUMMARY IN LAYMAN'S TERMS OF THE RELEVANT LOVELAND TAX LAW FOR THIS INDUSTRY OR BUSINESS SEGMENT. IT IS NOT INTENDED FOR LEGAL PURPOSES TO BE SUBSTITUTED FOR THE FULL TEXT OF THE LMTC (LOVELAND MUNICIPAL TAX CODE) AND APPLICABLE RULES AND REGULATIONS.