



# Press Statement on Minnesota Tax Bill Charitable Gambling Provision

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ST. PAUL, MN, UNITED STATES, June 6, 2016 /EINPresswire.com/ -- Now is the time to right a wrong in regards to charitable gaming's funding of the Vikings stadium. Charitable gaming's ability to grow our mission work in our communities is being severely hindered by the state tax system that we currently operate under.

Licensed gaming charities in Minnesota clothe, feed, serve and protect the citizens of Minnesota every day of the year. Our members are fire relief, youth, church, veteran, civic and fraternal. Our organizations provide over \$55 million a year in donations to our missions and communities.

We are now sending in excess of \$1 million per week to the state in taxes. Our current tax system allows no deductions of any kind from our tax liability, even our deductions are taxed, at a graduated rate that peaks at 36% of every dollar taken to the bank. Who else in the state pays a tax rate of 36%, much less our charities?

Currently the omnibus tax bill hangs in the balance on a \$101 million over three years (actually \$15 - \$17 million until the 2017 legislative session) drafting error in a bingo hall tax relief provision using the word or in place of and. The drafting error per the MN Department of Revenue and Management & Budget would allow a majority of Minnesota gaming charities to benefit instead of the eight bingo halls that the provision was intended to benefit.

Whether the Governor vetoes the tax bill or signs it, whether there is a special session or not, the drafting error will eventually be addressed by the Legislature. That is the time to address and provide the much needed relief for non-profit gaming charities. We do not want relief through a drafting error, but we do want and need relief.

Per the Governor's letter to Legislative leaders on June 1, the heart of the case against relief for all gaming charities is the continued funding of the Vikings stadium by charitable gaming taxes which the licensed gaming charities were charged with in the 2012 legislation that made the new stadium a reality.

The Governor states that relief given to gaming charities would create a deficit in the stadium fund. What the Governor fails to realize is that the taxes we pay to prop up the stadium are causing a deficit for us in funding our mission in our communities. This fiscal year our ability to fund our missions will erode by 8% due to the graduated tax rates.

The citizens of Minnesota have already given the Vikings hundreds of millions of dollars for the stadium and the franchise is now worth \$1 billion more than the Wilf's paid for it. The gift that continues to give should be to our local communities, not the Vikings. We are getting tired of working for our communities only to turn an unfair proportion of our proceeds over to the state to pay for a stadium designed to make billionaires and millionaires richer while our missions suffer.

There are additional provisions for making up any shortfall in the stadium fund that involve user fees on stadium suite rentals and new MN State Lottery games, neither of which further erode the ability of gaming charities to serve our local communities.

We again see additional relief for the Vikings in this omnibus tax bill to the tune of \$3 million plus Super Bowl "tax relief". Charitable gaming was in the house version of tax bill, but did not make the final bill except for the one minor provision we opposed and ended up with a drafting error.

Charitable gaming benefiting our local communities should be a higher priority than continuing to give the Vikings tax relief. Having gaming charities deduct their donations from their tax liability is a great start.

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