

Dear Small Games of Chance Distributor:

As you are likely aware by now, Act 90 of 2013 amended the Local Option Small Games Act to allow Pennsylvania taverns to offer small games of chance, including pull-tabs, and imposed a new tavern gaming tax on small games of chance offered by taverns.

### ***Tavern Gaming Tax Obligations of Distributors***

The law requires small games of chance distributors to collect the 60 percent state tavern gaming tax and the 5 percent host municipality tavern gaming tax on the sale of department-approved pull-tabs to taverns licensed by the Pennsylvania Liquor Control Board to sell tavern games.

A distributor may not sell pull-tabs to a tavern until and unless the tavern presents its tavern gaming license to a distributor as proof of the tavern's eligibility to offer tavern games.

Distributors are required to report and pay 65 percent tavern gaming tax monthly to the Department of Revenue on all pull-tabs sold to taverns. The tax includes a state tax of 60 percent and a host municipality tax of 5 percent, both of which are remitted and reported to the department.

The department is currently developing an electronic reporting system through which distributors will file and pay tavern gaming tax monthly. The system will be available by March 20 to file the first required tavern games tax return for the February 2014 period and will be accessible from [www.revenue.state.pa.us/SGOC](http://www.revenue.state.pa.us/SGOC).

Distributors should be aware that taverns will be required to report to the department tavern gaming tax paid to distributors on pull-tab games.

### ***Sales Tax Obligations of Distributors***

Additionally, pull-tabs sold to taverns are subject to sales tax, which is 6 percent state tax, plus 1 percent local sales tax for taverns located in Allegheny County and 2 percent local tax for taverns located in Philadelphia.

Department records indicate you are a registered sales tax licensee, and you are encouraged to use e-TIDES to file and pay sales tax, including sales tax on pull-tabs sold to taverns. Visit [www.eTIDES.state.pa.us](http://www.eTIDES.state.pa.us) for electronic filing and payment information.

Pull-tabs sold to eligible organizations and club licensees will remain exempt from sales tax, so long as a department-issued exemption certificate is provided.

You are encouraged to visit [www.revenue.state.pa.us/SGOC](http://www.revenue.state.pa.us/SGOC) to explore the tavern gaming tax electronic filing system in late March and for other small games of chance resources. Should you have any questions, you are encouraged to email [RA-SGOC@pa.gov](mailto:RA-SGOC@pa.gov).

Sincerely,

PA Department of Revenue