

**Title 35 Mississippi Department of Revenue**

**Part V Gaming**

**Subpart 1. General**

35.V.1.01 Chapter 01. Authority of the Department of Revenue.....page 1  
35.V.1.02 Chapter 02. Records .....page 1

**Subpart 2. Administrative**

35.V.2.01 Chapter 01. Bond Required .....page 2  
35.V.2.02 Chapter 02. Due Dates of Gaming and License Fees.....page 3  
35.V.2.03 Chapter 03. Distribution of Local Government Fee .....page 4

**Subpart 1 General**

**Chapter 01 Authority of the Department of Revenue**

- 100 The Commissioner of the Department of Revenue, or his designee, pursuant to Section 75-76-81 of the Gaming Control Act, shall have the authority to:
1. Conduct periodic audits or reviews of the books and records of licensees;
  2. Review the accounting methods and procedures used by licensees;
  3. Review and observe methods and procedures used by licensees to count and handle cash, chips, tokens, negotiable instruments, and credit instruments;
  4. Examine all accounting and bookkeeping records and ledger accounts of the licensee or a person controlling, controlled by, or under common control with the licensee;
  5. Examine the books and records of any licensee when conditions indicate the need for such action or upon the request of the Gaming Commission; and
  6. Investigate each licensee's compliance with the Gaming Control Act and other regulations as it relates to taxes, internal controls or auditing procedures.

101 (Reserved)

*35.V.1.01 revised effective January 1, 2021*

**Chapter 02 Records**

- 100 Under authority of Miss. Code Ann. Sections 75-76-81 and 27-65-43, it is the duty of every taxpayer, or gaming licensee, in such manner as the Commissioner of Revenue may approve or require, to keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is taxable or subject to fees. Records must be supported by source documents. The Commissioner may require any information or records from computer information systems on media common to those systems.
- 101 Records for each taxpayer, or gaming licensee, should accurately reflect gross income and expenses relating to its gaming operations.

- 102 If a taxpayer, or gaming licensee, fails to keep the records used by it to calculate gross gaming revenue, the Department may compute and determine the amount of taxable revenue upon the basis of an audit and upon the basis of any information within its possession, or upon statistical analysis.
- 103 When requested in writing, all records relating to gross income and expenses shall be provided to the Commissioner of Revenue in a reasonable and timely manner. In addition, any records or documents submitted by the licensee to the Mississippi Gaming Commission shall be made available to the Commissioner of Revenue or his authorized agent upon written request.
- 104 (Reserved)

*35.V.1.02 revised effective January 1, 2021*

## **Subpart 2 Administrative**

### **Chapter 01 Bond Required**

- 100 Before any applicant is licensed, he is required to enter into a bond in an amount fixed by the Commissioner of the Department of Revenue, payable to the State of Mississippi, conditioned upon the payment of all license fees, taxes, penalties, interest or fines and the faithful performance of all requirements imposed by law or regulation, or the conditions of the license.
- 101 An estimate will be made to calculate the amount for the initial bond based on the expected tax payments to be made by the taxpayer/licensee, but in no case shall the bond amount for the gaming licensee be less than \$250,000. The amount of the bond for each licensed manufacturer and for each licensed distributor or seller shall not be less than \$5,000. If a person holds both a manufacturer's and a distributor's or seller's license, the amount of the bond shall not be less than \$10,000.
- 102 The amount of the gaming licensee's bond shall be calculated based upon the licensee's liability for two (2) weeks of all gaming taxes, one (1) month sales tax, use tax and withholding tax liabilities, but in no case shall the bond amount be less than \$250,000. The amount of the manufacturer's or distributor's bond shall be calculated based on any tax liabilities due to the State of Mississippi for an average three (3) month period. The bond amount will be reviewed once a year by the Commissioner or his designated agent to determine if it is sufficient. The Commissioner will give the taxpayer/licensee a sixty (60) day notice when they are required to increase the amount of the bond.
- 103 Such bond shall be made in a surety company authorized to do business in the State of Mississippi and shall be approved by the Commissioner. The Commissioner shall be authorized to institute suit in the proper court on said bond for any violations of the conditions of said bond.

- 104 The replacement bond, or the continuation certificate issued on the existing bond, must be received by the Commissioner no later than ten days before the bond expiration date. The absence of a proper bond could result in revocation of the gaming license.
- 105 In lieu of the bond, an applicant may deposit with the Department a secured financial instrument as authorized by the Department. The security, provided in the form of a certificate of deposit, must state that the amount is unavailable for withdrawal except upon order of the Commissioner of the Department of Revenue.
- 106 (Reserved)

*35.V.2.01 revised effective January 1, 2021*

## **Chapter 02 Due Dates of Gaming and License Fees**

- 100 Taxes and fees required under the Mississippi Gaming Control Act, and other local government gaming taxes and license fees which are collected by the Department of Revenue (Department), and all reports relating thereto must be received by the Department not later than the due date specified by law or regulation, and in accordance with the Department of Revenue Rules for Administration of Mississippi Code 27-3-81 which authorizes the Department to require certain taxpayers to remit taxes by electronic transfer of funds. All other gaming tax or fee payments shall be timely filed if received by the Department, on or before the due date as prescribed by law or regulation.
- 101 The final return for the fees or taxes upon gross revenues, which includes all municipal or county fees, is due on the 20th day of the month following the month in which the tax accrues. This return shall be a reconciliation of weekly reports and prepayments or deposits made by the licensee.
1. A weekly report shall be made to the Department which identifies all gross revenues from slot machines, table games and card games and all other gaming revenue for the week which shall begin Sunday and end on Saturday. A prepayment or deposit of the fees and taxes due for the week must be included with the report. The report and the fee deposit must be received by the Department no later than 5:00 p.m. Friday of the following week.
  2. When a month's end falls within a week, the licensee shall prepare a weekly report through the last day of the month, and another report beginning the first day of the month. The licensee may remit his prepayments for the partial weeks together through the electronic funds transfer. Penalty and interest will be due on any deposits and/or reports not received by Friday of the following week.
  3. The licensee's reconciliation return for the month should indicate any corrections for the weekly reports and provide final gross revenue figures for the month. If the licensee has underpaid his tax, the licensee is required to remit the additional tax with the return. No interest or penalty will be due on the additional payment provided that the return is filed timely and that the total additional payment does not exceed 5% of the total liability for the month.

4. If the licensee has overpaid his tax, then he will be allowed to take credit for that overpayment. The Department will provide a letter of credit to the licensee to be attached to his report or return as verification of the credit amount.
  5. If a licensee fails to report his weekly earnings and remit his weekly deposit at the time provided, the Department shall issue a jeopardy assessment and warrant following administrative procedures as provided for by Miss. Code Ann. Sections 75-76-81, 27-65-61, 27-65-63 and 27-65-65.
- 102 The application fee of \$5,000 for a license to conduct gaming is to be paid to the Department on or before filing an application, and every three (3) years thereafter.
- 103 The license fee of \$5,000 shall be paid to the Department within ten (10) days of the issuance of the gaming license by the Gaming Commission, and annually thereafter on the original anniversary date of that license.
- 104 The license fee determined by the number of games, and any local fee determined by the number of games, is to be paid by the applicant for a state gaming license on or before filing an application. These fees are to be paid annually thereafter for continuation of the gaming license and shall be due on the original anniversary date of the issuance of the license.
- 105 If new games are added after the annual license fee based on the number of games has been reported and paid, a supplemental report shall be filed and the additional fee shall be paid before putting the new games into play. The additional fee paid for a period less than twelve (12) months shall be the proportionate amount of the annual license fee that the number of months remaining bears to twelve (12) months.
- 106 At the receipt of the gaming license fees due by the applicant, the Department shall notify the Executive Director of the Gaming Commission that the fee has been paid and the amount paid.
- 107 Failure to pay penalties and/or fees by the due date could result in closure of the establishment.
- 108 (Reserved)

*35.V.2.02 revised effective January 1, 2021*

### **Chapter 03 Distribution of Local Government Fee**

- 100 This regulation is to prescribe the method that will be used to determine the pro rata portion of tax revenues, collected under the authority of Miss. Code Ann. Section 75-76-195, which will be forwarded to the counties and municipalities in the event a municipality annexes previously unincorporated territory. This methodology would also apply if a municipality contracts its corporate limits.

- 101 Miss. Code Ann. Section 75-76-197 requires that the Local Government Fee collected under the provisions of Miss. Code Ann. Section 75-76-195 be distributed as follows:
1. If the licensed gaming establishment is not located within an incorporated municipality, then the entire proceeds of the tax received shall be forwarded to the county in which the establishment is located.
  2. If the licensed gaming establishment is located within an incorporated municipality, then the proceeds of the tax received shall be forwarded to the municipality in the proportion that the population of the municipal corporation bears to the entire population of the county, and to the county in proportion to the population of the county outside of the municipal corporation bears to the entire population of the county. The populations for the municipality and for the county shall be determined by the most recent federal census.
- 102 When an incorporated municipality extends its boundaries through annexation of unincorporated territory thereby increasing the population of the incorporated municipality, then such municipality may petition the Commissioner requesting that he amend the tax computation to reflect the population growth resulting from the annexation according to the population figures for the annexed area contained in the most recent federal census. The municipality must provide to the Commissioner a statement from the United States Department of the Census providing the post annexation population results. The municipality must also provide to the Commissioner a certified copy of the decree that ratifies, approves and confirms the annexation as filed with the Secretary of State.
- 103 The Commissioner shall recalculate the percentages and shall use the revised percentages to determine the tax to be returned to the municipality and to the county and which revised calculations shall become effective the first day of the month, but no less than thirty (30) days, following notification to the Commissioner and provision of the required documentation.
- 104 At the time of enactment of this regulation, the effective date for establishment of the revised calculation for any municipality which has petitioned the Commissioner and has provided the required documentation, shall be the first day of the month following final approval and adoption of this regulation.
- 105 (Reserved)

*35.V.2.03 revised effective January 1, 2021*