

Nebraska Pickle Card Dispensing Device

Overview

A nonprofit organization or business which sells pickle cards through a coin- or currency-operated dispensing device (device) must complete and file a Nebraska Registration and Report of Dispensing Device, Form 50F, to obtain a registration decal for the device.

The annual registration fee is \$50 per device.

A current registration decal must be attached to the device prior to its use.

Pickle cards may be sold only by a licensed organization or licensed pickle card operator.

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.



This guidance document may change with updated information or added examples. The Department recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov/gaming to get updates on your topics of interest.

Terms

Class I Pickle Card Licensee. A Class I pickle card licensee is a licensed organization which sells pickle cards only at its designated premises and/or the location of its regularly scheduled bingo occasions.

Class II Pickle Card Licensee. A Class II pickle card licensee is a licensed organization which sells pickle card units to a pickle card operator.

Definite Profit. Definite profit is the gross proceeds of a pickle card unit less all of the possible prizes in a unit.

Dispensing Device. A dispensing device is any machine or device which accepts money in exchange for pickle cards. The term "dispensing device" does not include any machine or device that awards any other type of prize, including free plays or any other item of value.

Distributor. A distributor is any licensed person who purchases or obtains pickle card units from licensed manufacturers and sells, distributes, or provides pickle card units in this state to licensed organizations.

Licensed Organization. A licensed organization is a nonprofit organization, volunteer fire company, or volunteer first-aid, rescue, ambulance, or emergency squad licensed to sell pickle cards under the [Nebraska Pickle Card Lottery Act](#).

Manufacturer. A manufacturer is any licensed person who makes pickle cards.

Multiple Column Dispensing Device. A multiple column dispensing device is a device which dispenses multiple tab pickle cards. Selection may be made from one of several columns.

Pickle Card. A pickle card is any disposable card, board, or ticket which allows a person an opportunity to win a cash prize by opening, pulling, or detaching tabs to reveal a set of numbers, letters, or symbols. A pickle card may also be known as a pickle ticket, pickle, break-open, pull-tab, pull-tab board, punchboard, seal card, or pull card.

Pickle Card Operator (operator). A pickle card operator is a sole proprietorship, partnership, limited liability company, or corporation which holds a retail liquor license issued by the Nebraska Liquor Control Commission and sells individual pickle cards on behalf of a licensed organization.

Pickle Card Unit. A pickle card unit is a series or complete set of pickle cards which consists of winning and losing cards in a particular unit or set.

Sales Agent. A sales agent is any licensed person who markets, sells, or delivers pickle card units on behalf of a licensed organization to any operator.

Purchase or Rental of Device

An operator selling individual pickle cards through a coin- or currency-operated device must purchase or rent the device. If a device is obtained from a licensed organization or distributor, it must be purchased or rented at a rate not less than fair market value. A licensed organization or distributor cannot provide the device to an operator free of charge.

All payments for the purchase or rental of a device by an operator from a licensed organization must be made by a check from the business checking account of the operator or a personal checking account of an owner, officer, or member of the operator. Payment must be made prior to the placement of the device and prior to the first day of the rental period. A licensed organization may not extend credit to the operator for the purchase or rental of the device.

The fair market value of the monthly rental rate for the initial placement of a device at the location of an operator is the licensed organization's cost of the device divided by 36. The licensed organization may not reduce the rental rate of the device within three years of the date the device is first placed in use. If the device is moved to a different location, the monthly rental rate must remain the same. Please contact the Department for assistance in determining the fair market value.

Responsibility for Registration of Device

An operator is responsible for registration of the device and payment of the fee if the device is used at the operator's location.

A licensed organization is responsible for registration of the device and payment of the fee if the device is used at the organization's designated premises or bingo location.

If an operator is renting or purchasing a device from a licensed organization, a copy of the written rental or sales agreement between the licensed organization and the operator must accompany Form 50F. **The \$50 registration fee may not be paid on behalf of an operator by a licensed organization, manufacturer, distributor, or any other person.**

Registration Decals

Each device in use must have a current registration decal issued by the Department. The decal must be in plain sight and permanently attached to the device. **The backing on each decal must be removed in order to permanently attach the decal to the device.** Decals are **not** transferable. Any person who places a device in operation in Nebraska without the required decal, or places a decal which is not easily seen and permanently attached to the device, is subject to an administrative penalty of \$30 for each violation and the device may be sealed or seized by the Department.

Relocation of Device

If a device is moved from one operator location to another, the device must be re-registered with the Department by filing a new Form 50F to report the change in location. The \$50 registration fee is required only if the ownership of the new operator location is different from the ownership of the previous operator location.

If an operator changes ownership, and the new owner wants to continue using a device registered by the former owner, the device must be re-registered with the Department by filing a new Form 50F. A copy of the new written rental or lease agreement with the licensed organization must also be submitted, if applicable. The registration fee is not required in these circumstances.

Replacement Device

If a device is inoperable and cannot be repaired, any permanent replacement device placed into use must be registered with the Department. The registration fee is required for each permanent replacement device, unless there are extenuating circumstances which may warrant waiver of the registration fee by the Department. For example, a device may be defective and require replacement by the manufacturer. A request for waiver of the registration fee must be submitted to the Department in writing and must include justification for the waiver.

Please Note: Registration decals are not transferable and cannot be removed from an inoperable device and reattached to another device.

If a device is inoperable and is **temporarily** out-of-service, a **temporary replacement device** (TRD) may be used for no more than 30 days, or until the original device has been repaired and returned to use, whichever occurs first. The registration fee is not required for a TRD. The licensed organization or operator that is using a TRD on a temporary basis must notify the Department in writing of the following:

- ❖ The state identification number, name, and address of the licensed organization or operator involved;
- ❖ Description of the TRD, including serial number, if applicable;
- ❖ The current registration decal number on the device that is temporarily out-of-service; and
- ❖ The date the TRD was placed into use.

Notification must be made within five working days of the date the TRD is placed into use.

Service, Repair, and Maintenance of Device

A Class II pickle card licensee is allowed to provide certain optional services for an operator selling its pickle cards through a coin- or currency-operated device. The following services may be provided by the Class II licensee's sales agent:

- ❖ Open devices, remove the money, and count the gross receipts in the device for deposit;
- ❖ Prepare or make the bank deposit for the operator;
- ❖ Account for and reconcile the pickle cards in the device;
- ❖ Record the meter readings of the device; and
- ❖ Reconcile the prizes paid from the operator's cash register to the actual winning pickle cards retained by the operator.

A Class II pickle card licensee may NOT charge an operator for these services nor may an operator voluntarily pay for these services. A sales agent is limited to a maximum commission of six percent of the definite profit of a pickle card unit. A sales agent may be reimbursed for reasonable and necessary expenses incurred in performing these services; provided, such expenses can be accounted for in the

organization's overall limitation on pickle card expenses of 12 percent of the definite profit of a pickle card unit.

The following chart provides an example of the marketing of a pickle card unit and the allocation of the gross proceeds of a pickle card unit.

Marketing of a Pickle Card Unit	
Example is based on a 4,000 count unit with a prize payout of 75%.*	
Unit Breakdown	
Gross Proceeds (4,000 x \$1 per card)	\$1 Card \$4,000
Less Prizes	<u>-3,000</u>
Definite Profit	\$1,000
Pickle Card Operator Commission	
Operator Commission (Maximum 30% of definite profit)	<u>-\$ 300</u>
Operator Pays to Nonprofit Organization	\$ 700
Nonprofit Organization Cost	
Unit Cost	\$ 87
Imprinting Fee	5
Pickle Card Tax (10% of Definite Profit)	100
State Sales Tax (Certain exemptions may apply)	13
Federal Excise Tax (.25%)	<u>10</u>
Total	\$215
Nonprofit Organization Allowable Expenses	
Sales Agent Commission (Maximum 6% of Definite Profit)**	\$ 60
Other Expenses	<u>60</u>
Total Allowable Expenses (Maximum of 12% of Definite Profit)	\$120
Total Expenses Paid by Organization	\$335
Nonprofit Organization Profit (Per Unit)	\$ 365
* Prize payout can range from 65% to 80%.	
** Included within 12% overall expense limitation.	

Sales agents must maintain detailed records of their travel and related expenses. Reimbursement is subject to approval of the licensed organization.

If a licensed organization is renting a device to an operator which sells the organization's pickle cards, the organization can repair and maintain the device. All repair and maintenance costs incurred by the organization which are not reimbursed by the operator must be accounted for in the organization's overall limitation on pickle card expenses.

A licensed organization may repair and maintain a device which is owned by an operator. A written agreement is required which must identify all costs associated with the repair and maintenance of the device and must be less than fair market value. Any agreement must be approved by the Department.

Age Restrictions

Individuals must be at least 18 years of age to play or participate in a lottery by the sale of pickle cards. The device needs to be placed in an open area so that it can be monitored. A person who knowingly permits underage individuals to participate or play pickle cards is subject to criminal prosecution or possible administrative sanctions, including an administrative fine and/or license suspension, cancellation, or revocation.

General Information

Obtain a Registration Decal. Attached is a Nebraska Registration and Report of Pickle Card Dispensing Devices, Form 50F, which must be properly completed and submitted to the Charitable Gaming Division of the Nebraska Department of Revenue to obtain registration decals for coin- or currency-operated devices in use at your location. These devices must be registered with the Department each year prior to being used to dispense pickle cards. The annual registration fee is \$50 per device.

Resource List

If you need additional information, see the resources listed below that are available on the Department's Web site:

- ❖ [Nebraska Pickle Card Lottery Act](#)
- ❖ [Nebraska Pickle Card Operator Information Guide](#)
- ❖ [Nebraska Pickle Card Regulations](#)

revenue.nebraska.gov/gaming

877-564-1315, 402-471-5937

Nebraska Department of Revenue, Charitable Gaming Division, PO Box 94855, Lincoln, NE 68509-4855

Nebraska Registration and Report of Pickle Card Dispensing Devices

- Include \$50 fee per device
- Read instructions on reverse side

PLEASE DO NOT WRITE IN THIS SPACE

Nebraska Identification Number	Federal Employer Identification or Social Security Number	County of Business Location in Nebraska
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NAME AND LOCATION ADDRESS	NAME AND MAILING ADDRESS
Name	Name
Trade Name of Business (If different than above)	Street or Other Mailing Address
Street Address	City State Zip Code
City State Zip Code	

Type of Pickle Card License Held <input type="checkbox"/> Operator <input type="checkbox"/> Class I <input type="checkbox"/> Class II	Type of Application <input type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Transfer <input type="checkbox"/> Replacement	FOR DEPT. OF REVENUE USE ONLY <input type="checkbox"/> Penalty
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\$50 Fee Required for Each Device Registered

- If any of the devices being registered are rented or leased/purchased, a copy of the rental/lease agreement must be provided.
- For each pickle card dispensing device to be added or renewed, complete the following:
- Attach schedule for additional pickle card dispensing devices to be added or renewed.

Manufacturer (See instructions)	Make/Model	Serial Number	Decal Number Issued
Description <input type="checkbox"/> Stamp Machine <input type="checkbox"/> Multiple Column Dispensing Device <input type="checkbox"/> Other _____			
Ownership <input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Leased/Purchased	If Rented or Leased, Name of Lessor		Nebraska Identification Number of Lessor
Lease Period Beginning Date ____/____/____ Ending Date ____/____/____ (Attach a copy of your lease agreement unless previously filed with the Department.)			Rent \$ _____ per _____

Manufacturer (See instructions)	Make/Model	Serial Number	Decal Number Issued
Description <input type="checkbox"/> Stamp Machine <input type="checkbox"/> Multiple Column Dispensing Device <input type="checkbox"/> Other _____			
Ownership <input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Leased/Purchased	If Rented or Leased, Name of Lessor		Nebraska Identification Number of Lessor
Lease Period Beginning Date ____/____/____ Ending Date ____/____/____ (Attach a copy of your lease agreement unless previously filed with the Department.)			Rent \$ _____ per _____

Manufacturer (See instructions)	Make/Model	Serial Number	Decal Number Issued
Description <input type="checkbox"/> Stamp Machine <input type="checkbox"/> Multiple Column Dispensing Device <input type="checkbox"/> Other _____			
Ownership <input type="checkbox"/> Owned <input type="checkbox"/> Rented <input type="checkbox"/> Leased/Purchased	If Rented or Leased, Name of Lessor		Nebraska Identification Number of Lessor
Lease Period Beginning Date ____/____/____ Ending Date ____/____/____ (Attach a copy of your lease agreement unless previously filed with the Department.)			Rent \$ _____ per _____

1 Number of pickle card dispensing devices to be registered	1	\$
2 Registration fee (line 1 multiplied by \$50)	2	\$
3 Number of pickle card dispensing devices not properly registered (For Dept. of Revenue Use Only)	3	\$
4 Penalty (line 3 multiplied by \$30) (For Dept. of Revenue Use Only)	4	\$
5 Total amount due (line 2 plus line 4)	5	\$

Under penalties of law, I declare that I have examined this report, and to the best of my knowledge and belief, it is correct and complete.

sign here

Authorized Signature (See instructions) _____ Title _____ Date _____ Daytime Telephone Number _____

FOR DEPARTMENT OF REVENUE USE ONLY

sign here

Signature of Department of Revenue Representative _____ Title _____ Date _____

INSTRUCTIONS

WHO MUST FILE. Any pickle card operator (operator), or licensed organization that sells pickle cards, by using a coin- or currency-operated device, must file the Nebraska Registration and Report of Pickle Card Dispensing Devices, Form 50F. A \$50 registration fee must be paid for each pickle card dispensing device (device) used at the operator's location or at the licensed organization's designated premises and/or bingo location. This is the case unless the device is a temporary replacement device. It is the responsibility of the operator to file Form 50F and pay the required fee if the device is used at the operator's location, even if the device is not owned by the operator. The licensed organization must file Form 50F and pay the required fee if the device is used at the organization's designated premises or bingo location. Checks written to the Nebraska Department of Revenue may be presented electronically.

WHEN TO FILE. A Form 50F must be on file with the Nebraska Department of Revenue (Department) and a current registration decal affixed to the device before a coin- or currency-operated device may be placed in use for the sale of pickle cards.

Registration decals expire on December 31 of each year, regardless of the date of issuance, and must be renewed on or before January 1 if the device is to continue to be used for the sale of pickle cards. Registration renewals must be submitted by November 15 of each year to allow time for processing.

SPECIFIC INSTRUCTIONS

NAME AND LOCATION ADDRESS. Enter the name, trade name (if applicable), and location address of your business or organization as it appears on the pickle card license issued to you by the Department.

NAME AND MAILING ADDRESS. Enter the name and mailing address of your business or organization. This should be the same as it appears on your pickle card license, unless you wish to change the mailing address on file with the Department.

For each device to be registered, the following information must be provided.

- **Manufacturer.** Enter the name of the device manufacturer.
- **Make/Model.** Enter the make or model number.
- **Serial Number.** Enter the serial number of the device. If the device does not have a serial number or it is not readily identifiable, enter "NA". The serial number is often located inside the device near the coin or bill acceptor.
- **Description.** Check the box which best describes the device in use at your location. Choices available include:
 - ✓ **Stamp Machine.** A device which dispenses single tab pickle cards (i.e., postage stamp machine).
 - ✓ **Multiple Column Dispensing Device.** A device which dispenses multiple tab pickle cards; selection may be made from one of several columns.
 - ✓ **Other.** If the device is not a stamp machine or a multiple column dispensing device, check "Other" and provide a brief description including capacity.
- **Ownership.** Indicate whether the device is owned, rented, or leased with an option to purchase. If rented or leased with an option to purchase, indicate the name and Nebraska Identification Number of the lessor of the device and the amount of rent. Attach a copy of the lease/purchase or rental agreement.

LINE 1. Enter the number of devices to be registered.

LINE 2. Enter the registration fee to be submitted (line 1 multiplied by \$50).

AUTHORIZED SIGNATURE. Form 50F must be signed by an owner, partner, member, or officer in the case of an operator or by an organization officer or utilization of funds member in the case of a licensed organization, or by a person authorized by an attached power of attorney.

Any questions regarding the completion of this application should be addressed to the Nebraska Department of Revenue, Charitable Gaming Division, phone 402- 471-5937 or 877-564-1315.

Visit revenue.nebraska.gov/gaming.