

Raffle Information for Pheasants Forever and Quail Forever Chapters in Nebraska

Applying for a License (Form 50) All chapters who report \$5,000 or above on your Fundraising Event Report (FER) under “Raffles & Other Charitable Gaming” need to apply for a two year raffle license at least 30 days before your banquet. If your banquet raffles gross \$4,999 or less, your chapter does not need a raffle license. To begin the process of obtaining a raffle license, your chapter must fill out and file Form 50, and the Supplemental Questionnaire. The two year license fee is \$30 and will expire on **September 30th** of each odd-numbered year and may be renewed biennially.

Utilization of Funds Member (Form 50H) If your chapter is applying for a raffle license they must also designate at least one your chapter officers (usually the treasurer) be licensed as the Utilization of Funds Member (UFM). The UFM is responsible for all raffle activity conducted by your chapter. Form 50H is filed for your UFM and must be re-filed every time you elect a new treasurer. The two year fee for a Utilization of Funds Member license is \$40

Local Savings Account The organization must establish a separate bank account at a local financial institution. You currently have your home office CMS account but you also need a local savings account. This local savings account is to be used exclusively for raffle activity. The name and address of the bank and the bank account number must be supplied on the application form at the time your chapter applies for a raffle license. All Raffle proceeds must be held in this account for a reasonable amount of time before it may be transferred to your CMS account.

Special Permit Every chapter needs to apply for a special permit, no exceptions. Only one Special Permit may be obtained for each 12-month period beginning October 1st of each year. The permit is valid for a maximum of three consecutive months and *exempts* your chapter from the following three requirements:

1. The 65% prize payout;
2. The 10% expense limitation; and
3. The 18 years of age participation restriction.

The special permit license application requires your chapter to identify a beginning and ending date for the Special Permit. Check the box on our application (Form 50) labeled “Lottery/Raffle Special Permit and designate the 3 month period to be the quarter you plan to hold your banquet each year. The fee for a Special Permit is \$10 each year or \$20 for your two year license.

Ticket Requirements All tickets at your banquet for your banquet social hour raffles and quick raffle games must be the same size and weight. Tickets used for pre-banquet raffles must be sequentially numbered with organization name, state ID, cost per ticket and date of drawing.

Winner Determination The winners for a licensed lottery or raffle can be determined only by a random drawing.

Use of Profits The profits from a licensed lottery or raffle must be used for the mission of PF/QF.

Reporting and Tax (Form 51 & Form 35B) Raffles exceeding \$5,000 are subject to a 2% state tax on gross proceeds and this is stated and paid on form 51 and stated again but not paid on Form 35B. Form 51 needs to be completed on a quarterly basis, so you need to file Form 51 four times per year. Even if you only conduct raffles at your banquet during one quarter of the year, you must fill out a return Form 51 and Form 51 for the other three quarters of the year. However, you can file your banquet Form 51 that shows raffle proceeds and the other three Form 51's at once if the other three Form 51's have zero balances (and they should show zero balances) Form 51 is due the following dates; **April 30th, July 30th, October 30th, January 30th**. Your chapter is also required to file a Lottery/Raffle Annual Report Form 35B for the fiscal year (July 1st – June 30th) which is due by **August 15th** of each year.

- Most chapters calculate the ticket price average of \$1 per ticket for their average ticket price.
- If you report \$13,000 on your Quarterly Report Form 51, you need to report and take out \$13,000 on your annual report form 35B. Always take out what you report each year to make your balance \$0 each year.

This information is to the best of our ability and our interpretation and does not supersede Nebraska Raffle Laws. If you have questions please refer to www.revenue.nebraska.gov/gaming/index.html

