

**Alaska Department of Revenue
Tax Division
Gaming Unit**

NOTICE TO PERMITTEES

EXCESS EXPENSE ENFORCEMENT PROGRAM

During 2007, the Gaming Unit initiated an Enforcement Program to take action against permittees that are out of compliance with the percentage expense and prize limitations of AS 05.15.160 (c) and (d) and 15 AAC 160.600(c). In conjunction with this program, the Gaming Unit is reviewing compliance with AS 05.15.150 (use of net proceeds), 15 AAC 160.830 (the method of accounting as it applies to annual reporting for bingo and pull-tab activities) and various other reporting requirements.

Failure to comply with percentage limitations for prizes and expenses could result in suspension or revocation of your permit or denial of your permit upon application. Action may also be taken if all gaming expenses are not reported. 15 AAC 160.835(e) require that all gaming expenses be reported - even if they are in excess of the limitations. The gaming unit is taking this action to ensure that gaming activities generate net proceeds for those uses authorized by AS 05.15.150.