

**Tax on Wagering**  
**(Section 4401 of the Internal Revenue Code)**  
 For Paperwork Reduction Act Notice, see page 2.

OMB No. 1545-0235

Enter your name, address, employer identification number, and month and year of return.

Name

Month and year

Number, street, and room or suite no.

Employer identification number

City, state, and ZIP code

**For IRS Use Only**

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If address is different from prior return, check here

1	Gross wagers accepted during month (not including layoffs)	1		
2	Gross amount of layoff wagers accepted during month	2		
3	Add lines 1 and 2	3		
4a	Tax on wagers authorized under the law of the state in which accepted (multiply the amount of these wagers included on line 3 by .0025)	4a		
b	Tax on wagers, other than wagers described on line 4a (multiply the amount of these wagers included on line 3 by .02)	4b		
c	Add lines 4a and 4b	4c		
5	Layoff credits (No credit is allowed unless supported by evidence.)	5		
6	<b>Net tax due.</b> (Subtract line 5 from line 4c.) If no tax is due, write "NONE".	6		

File this return and your payment with the IRS as shown under **Where To File** on page 2. Make your check or money order payable to the "Internal Revenue Service". Write your name, address, EIN, and "Form 730" on it.

**Sign Here**

Keep a copy of this return for your records.

Under penalties of perjury, I declare that I have examined this return and any accompanying certificates and statements, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature \_\_\_\_\_  
 Title (Owner, etc.) \_\_\_\_\_ Date \_\_\_\_\_

## Paperwork Reduction Act Notice

We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax.

You are not required to provide the information requested on a form unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by Code section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 3 hr., 35 min.; **Learning about the law or the form**, 1 hr., 10 min.; **Preparing the form**, 2 hr., 12 min.; **Copying, assembling, and sending the form to the IRS**, 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Tax Forms Committee, Western Area Distribution Center, Rancho Cordova, CA 95743-0001. **DO NOT** send this form to this address. Instead, see **Where To File** below.

## A Change To Note

Beginning January 1, 1997, all Forms 730 (except hand-carried) will be filed with the Internal Revenue Service Center, Cincinnati, OH. See **Where To File** below.

## General Instructions

*Section references are to the Internal Revenue Code unless otherwise noted.*

**Who Must File.**—You must file Form 730 and pay the tax on wagers under section 4401(a) if you:

- Are in the business of accepting wagers, or
- Conduct a wagering pool or lottery.

You also must be registered under section 4412. Get **Form 11-C**, Occupational Tax and Registration Return for Wagering. If you are registered under section 4412 and receive wagers for or on behalf of another person but do not register that person's name and address, you then become liable for the tax and must file Form 730.

**What is Taxed.**—This return covers most wagers and lotteries, including the following:

- Wagers on a sports event or contest placed with a person engaged in the business of accepting wagers.

- Wagers placed in a wagering pool on a sports event or contest, if the pool is conducted for profit.

- Wagers placed in a lottery conducted for profit, including punchboards.

The tax applies only to wagers accepted in the United States or placed by a person who is in the United States with a person who is a U.S. citizen or resident.

The return covers lotteries including the numbers game, policy, punchboards, and similar types of wagering. It does not include the following:

- Games in which all persons placing wagers in the game are present when wagers are placed, winners are determined, and prizes or other property are distributed.
- Drawings conducted by an organization exempt from tax under sections 501 and 521, as long as the net proceeds of the drawing do not benefit a private shareholder or individual.

**What is Not Taxed.**—The tax is not imposed on the following:

- Parimutuel wagering, including horse racing, dog racing, and jai alai, when it is licensed under state law.
- Coin-operated devices, such as pinball machines.
- Sweepstakes, wagering pools, or lotteries conducted by an agency of a state, if the wager is placed with the state agency or its authorized agents or employees.

**When To File.**—You must file Form 730 each month by the last day of the month following the month for which you are reporting taxable wagers. (However, if necessary, the IRS may be granted authority to require a return to be filed and tax to be paid immediately.) The IRS will not send you a notice that a return is due. File a return whether or not you have taxable wagers to report. If you have none to report, write "None" on the return. If you do not expect to file Form 730 in the future, write "FINAL RETURN" on the return.

**Where To File.**—File your return with the **Internal Revenue Service Center, Cincinnati, OH 45999-0100**. You may also hand carry your return to the district director's office or to any permanent post of duty within your Internal Revenue district. Regulations section 301.6091-1(c) defines hand-carried returns that may be filed with your district director or at a permanent post of duty.

**Completing the Form.**— Enter the month for which this form is being filed, your employer identification number, name, and address, and sign and date the return.

**Line 1.**—Enter the gross amount of wagers accepted during the month. (See line 2 for layoff wagers.) Include all charges connected with placing the wager. If you can prove that the person placing the wager has paid a separate charge equal to the tax, do not include that amount in the amount of the wager.

**Line 2.**—Enter the gross amount of any layoff wagers you accepted from someone else during the month. Keep a copy of the certificate you give the person making the layoff wager. See Regulations section 44.6419-2 for a sample and suggested format for the certificate.

**Line 4a or 4b.**—Multiply the applicable amount on line 3 by .25% (.0025) or 2% (.02). The rate of tax depends on your state and the type of wager accepted in the state. The lower rate is applicable to wagers that are authorized by state law.

**Line 5.**—Enter any credit you claim for a tax you paid or owe on any wager that is laid off with someone else liable for the tax. To claim the credit, attach a full explanation of the reason for claiming the credit, certificates to support the layoff wagers, and a statement about whether a previous claim for refund for any part of this amount has been filed. The statement must show the following: (a) each amount making up the total credit; (b) the monthly return on which you reported the tax; (c) the date of the payment; and (d) the amount chargeable to each month if the tax was paid for more than 1 month.

Instead of taking the credit, you may file a claim for refund on **Form 8849**, Claim for Refund of Excise Taxes. If you do, attach the same information as required for a credit, as explained above. You are not allowed interest on any credit.

**Records.**—Keep a complete and detailed record of all taxes paid and credits taken for at least 3 years from the date the tax is due. Also, keep copies of the returns. These records must be available to the IRS at all times.

**Penalties and Interest.**—If you file or pay late, you may be charged penalties and interest on the amount you owe. The law provides a penalty of 5% to 25% of the unpaid tax for late filing of the return. You can also be charged ½ of 1% of the unpaid amount for each month or part of a month for taxes not paid. The maximum penalty is 25% of the unpaid amount.

**Disclosure of Information on Wagering Taxes.**—Except for administering or enforcing Internal Revenue taxes, neither the Treasury Department nor any of its employees may disclose documents, records, or information obtained through them that a taxpayer supplies in connection with wagering taxes. Also, certain documents related to wagering taxes and information obtained through them that relates to wagering taxes may not be used against the taxpayer in any criminal proceeding. See section 4424 for more details.

