



# WEST VIRGINIA TAX DIVISION

## Charitable Gaming Considerations

Only a tax exempt charitable or public service organization may be licensed by the Tax Commissioner to conduct bingo games and raffles in West Virginia. This includes, but is not necessarily limited to organizations that have a letter from the Internal Revenue Service determining that it is exempt from federal income tax under IRC §§ 501(c)(3), 501(c)(4), 501(c)(8), 501(c)(10), 501(c)(19) or 501(d).

Events may receive annual or limited licenses. An annual license costs \$500 and allows an eligible organization to host two events a week, so long as they take place on the same two days, at the same place and time, when they occur. This cost can be prorated if the application occurs later in the calendar year. A limited bingo license costs \$100 while a limited raffle license costs \$50. Each limited license allows for a one-time event for one location. An organization is permitted to hold an annual and one limited license in a calendar year or three limited licenses. To host an event partnering with another organization, both organizations must hold a limited license.

It is important to note that in order to conduct a charitable bingo and a charitable raffle, an organization must attain a license for each activity.

### 1. Planning Your Event

- What organization is this for? Are they a licensed nonprofit?
- When is the event?
- Will there be more than one throughout the year?
- Can your organization open a checking account specifically for a bingo or raffle?
- What prizes will there be?
- Who is working your event?

### 3. The Event

- Prizes
  - Material prizes are to be valued at fair market value.
  - Participants who win more than \$100 in prizes must be reported on the return after the event. Be sure to collect their full name, address, when they won the prize, amount, and social security number.
- Alcohol consumption is not permitted at Bingo Events. For Raffles, please check with the WV Alcohol Beverage Control Administration.
- Only those 18 years and older are permitted to participate at bingos, regardless if it is to play or work the event.
- Bingo events can last 6 hours, not including an additional 2 hours for setup and 2 hours for take down.

### Raffle Exemption:

A raffle event can be exempt from the licensing requirements if the organization has been in existence in the state for at least one year so long as the organization does not sell more than \$15,000 worth of tickets in any calendar year and does not award any individual prize valued at more than \$4,000. See W. Va. Code §47-21-3.

The West Virginia Tax Division can issue an "Exempt Certificate" to a qualifying organization if requested, but the organization is not required to have the certificate in order to hold the raffle event.

### 2. Getting Your License

- Are you new to obtaining a Bingo or Raffle License? If so, have you been operating for at least 2 years and is your event at least 60 days away?
- Forms: BGO-1 (Bingo) or RAF-1 (Raffle)
  - Tax ID
  - Specific Checking Account for Charitable Game being conducted
  - When is the event being conducted and where?
  - Who is going to be responsible for the money?

### 4. Filing Your Event Returns

- Bingo Annual License Holders
  - Quarterly Financial Reports
  - BGO-3 and BGO-SCH Annually
- Raffle Annual License Holders
  - RAF-3 and RAFFLE-4 Annually
- Limited License Holders
  - Bingo: BGO-3, BGO-SCH
  - Raffle: RAF-3, RAFFLE-4

For questions on how to apply for a license or file Financial Reports, contact our Bingo and Raffle Unit at 304-558-8683 or Taxpayer Services at 304-558-3333.

For any other questions on charitable gaming regulations, contact 304-558-8510.