

Tax on Wagering (Section 4401 of the Internal Revenue Code)

For IRS Use Only

For month of _____ 19 _____	Your name and address (Please type or print)	Employer identification number T _____ FF _____ FP _____ I _____ T _____	
For Paperwork Reduction Act Notice, see instructions.		If your business records are not available at the address shown, enter address where records are maintained.	

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 _____

Date _____ Title (Owner, etc.) _____

ORIGINAL.—File this return and your payment with the IRS as shown under **Where To File** on page 4. Include your employer identification or social security number on your check or money order.

1	Gross wagers accepted during month (not including layoffs) . . .	\$ _____
2	Gross amount of layoff wagers accepted during month . . .	_____
3	Add lines 1 and 2	\$ _____
4a	Tax on wagers authorized under the law of the state in which accepted (.0025 of such amounts included on line 3)	\$ _____
b	Tax on wagers, other than wagers described on line 4a (.02 of such amounts on line 3)	_____
5	Layoff credits (No credit is allowed unless supported by evidence.) . . .	_____
6	Net tax due (Subtract line 5 from line 4a and/or 4b.)	\$ _____

Instructions

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

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.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 3 hr., 26 min.; **Learning about the law or the form**, 1 hr., 4 min.; **Preparing the form**, 2 hr., 6 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 more simple, we would be happy to hear from you. You can write to both the **Internal Revenue Service**, Washington, DC 20224, Attention: IRS Reports Clearance Officer, T:FP; and the **Office of Management and Budget**, Paperwork Reduction Project (1545-0235), Washington, DC 20503. DO NOT send this tax form to either of these offices. Instead, see **Where To File** on page 4.

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 must also be registered under section 4412. See **Form 11-C**, Special Tax Return and Application for Registry—Wagering. If you are registered under section 4412 and receive wagers for or on behalf of another person but fail to 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 U. S. 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 it becomes 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

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Tax on Wagering (Section 4401 of the Internal Revenue Code)

For month of19.....	Your name and address (as shown on original)	Employer identification number
YOUR COPY		

If your business records are not available at the address shown, enter address where records are maintained.

Important.—File the original Form 730 with the IRS as shown under **Where To File** on page 4. Keep this copy for your records. Make your check or money order payable to the Internal Revenue Service. If you have nothing to report, write "None" on the original Form 730 and return it to the IRS.

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.

1	Gross wagers accepted during month (not including layoffs) . . .	\$	
2	Gross amount of layoff wagers accepted during month . . .		
3	Add lines 1 and 2	\$	
4a	Tax on wagers authorized under the law of the state in which accepted (.0025 of such amounts included on line 3)	\$	
b	Tax on wagers, other than wagers described on line 4a (.02 of such amounts on line 3)		
5	Layoff credits (No credit is allowed unless supported by evidence.) . .		
6	Net tax due (Subtract line 5 from line 4a and/or 4b.)	\$	

Instructions (Continued)

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, Ogden, UT 84201. 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.

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.—Enter the tax applicable in your state for the type of wager accepted. A 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.

Keep a complete record of all credits for at least 3 years from the date the credit was taken. You are not allowed interest on any credit.

Instead of taking the credit, you may file a claim for refund on **Form 843**, Claim for Refund and Request for Abatement. If you do, attach the same information as required for a credit, as explained above.

Records.—Keep a complete and detailed record of all taxes paid 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 $\frac{1}{2}$ 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. Except in administering or enforcing Internal Revenue taxes, 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 information.