



ADMINISTRATIVE RULES OF MONTANA



23.16.1826 QUARTERLY REPORTING REQUIREMENTS

- (1) End of quarter and service mechanical and electronic meter readings are used for tax calculation purposes and must be taken at the same time. Mechanical meters must be reported exactly as displayed on the machine and not from an audit ticket. Machine owner quarterly reporting requirements are as follows:
 - (a) For each machine utilizing an approved automated accounting and reporting system, the machine owner or his designated representative shall transmit files to the department, in a format prescribed by the department, with the following information:
 - (i) for tier I systems, all electronic meter readings and all events set out in ARM 23.16.2105 for each day the machine is in operation;
 - (ii) for tier II systems:
 - (A) all electronic meter readings for each week or two-week period for which the machine is approved to report;
 - (B) electronic and mechanical meter readings up to 14 days prior to the end of the quarter but not later than seven days after the last day of each quarter may be designated as the quarter end meter readings; and
 - (C) before- and after-service electronic and mechanical meter readings must be submitted if meters are reset or malfunction.
 - (b) For machines utilizing an approved automated accounting and reporting system, after the final set of meter readings for the quarter is received, the department will electronically transmit a machine income and tax estimate by machine and location to the machine owner. Upon receipt of the machine income and tax advisory, the owner must contact the department within seven days in order to dispute the machine income and tax estimate.
 - (c) The machine owner will have until midnight of the 15th day of the month following the quarters ending March 31, June 30, September 30, and December 31 to confirm and pay any tax due by electronic check or credit/debit card using a state-sponsored internet site.
 - (d) For each machine permitted during a reporting quarter not utilizing an approved automated accounting and reporting system, the machine owner or a designated representative must file with the department a quarterly tax report signed by the machine owner or a designated representative. The forms prescribed and supplied by the department require readings from the mechanical and electronic meters as required by the act. The report will be used by the department to verify payment of all taxes for the machine as required by the act. The following requirements apply:

- (i) Forms 6 and 6a make up quarterly video gambling machine tax report. Forms 6 and 6a are incorporated by reference and are available from any Gambling Control Division office location or on the department's web site, www.dojmt.gov/gaming.
 - (ii) The report must be delivered to Gambling Control Division, 615 South 27th Street, Suite A, Billings, Montana 59101, or bear a United States postal service postmark not later than midnight of the 15th of the month following the quarters ending March 31, June 30, September 30, and December 31.
 - (iii) The mechanical and electronic meter readings must be recorded for the report within seven days of the close of the operator's last day of business in the reporting quarter. The readings must be supported by the original printed accounting ticket.
- (2) If a machine owner shares machine ownership, or a machine's revenues with another person or business entity, the machine owner or his designated representative must provide upon the same quarterly tax form prescribed by the department in (1), information for each machine as follows:
 - (a) full identification including name, address, and social security number (or federal identification number) of all persons or business entities involved in the above-mentioned business relationship;
 - (b) percentages of participation in machine income by each person or business entity involved in the above-mentioned business relationship; and
 - (c) specific machine income (total collections less amounts paid to players without adjustment for expenses) paid to and/or received by each person or business entity involved in the above-mentioned business relationship.
- (3) For the purposes of this rule the term theft includes the physical break-in or entry into the video gambling machine, or manipulation of the machine by external means, resulting in the accumulation of credits available for redemption without the insertion of money. If the gross income reported for a machine has been reduced to reflect a loss resulting from a theft from the machine, the machine owner or a designated representative shall submit the following information together with the quarterly report:
 - (a) documentation from a law enforcement agency verifying that the theft was reported;
 - (b) a letter or other document signed by the machine owner's business insurance agent indicating the amount paid or to be paid, if any, by the insurer to cover the loss resulting from the theft; and
 - (c) the last cash-access accounting ticket generated before the theft occurred and the first cash-access accounting ticket generated after the theft occurred. The tickets will be used by the department to calculate the maximum amount that may be deducted for a loss resulting from a theft.
 - (d) In all cases the theft loss must be supported by records required in ARM 23.16.1827.
- (4) If the machine owner or a designated representative fails to file the quarterly tax report or remit the required gross machine income tax when due, the following penalties will be assessed:
 - (a) 0 - 30 days late = 10% of tax due;
 - (b) 31 - 60 days late = 25% of tax due;

- (c) 61 - 90 days late = 50% of tax due;
 - (d) 91 days or more = 100% of tax due.
- (5) The imposition of these penalties does not preclude the department from taking further action against the machine owner responsible for preparing the report, including, but not limited to, temporary cease and desist orders under 23-5-136, MCA.

Authorizing statute(s): 23-5-115, 23-5-621, MCA

Implementing statute(s): 23-5-136, 23-5-610, 23-5-621, 23-5-637, MCA

History: EMERG, NEW, 1985 MAR p. 1623, Eff. 11/1/85; TRANS, from Dept. of Revenue, Ch. 154, L. 1987, Eff. 3/22/87; AMD, 1987 MAR p. 1972, Eff. 10/30/87; TRANS, from Dept. of Commerce, Ch. 642, L. 1989, Eff. 7/1/89; AMD, 1990 MAR p. 1172, Eff. 4/27/90; AMD, 1991 MAR p. 1942, Eff. 10/18/91; AMD, 1993 MAR p. 2786, Eff. 11/25/93; AMD, 1994 MAR p. 2834, Eff. 10/28/94; AMD, 1997 MAR p. 404, Eff. 2/25/97; AMD, 1999 MAR p. 2048, Eff. 9/24/99; AMD, 2006 MAR p. 2131, Eff. 9/22/06; AMD, 2009 MAR p. 2480, Eff. 12/25/09; AMD, 2013 MAR p. 1606, Eff. 9/6/13; AMD, 2022 MAR p. 1836, Eff. 9/24/22; AMD, 2024 MAR p. 472, Eff. 3/9/24.