



• In a lottery conducted for profit, including the numbers game, policy, punch boards, and similar types of wagering.

**What is not taxed.** The tax is **not** imposed on the following five items:

- 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 that are conducted by an agency of a state, if the wager is placed with the state agency or its authorized agents or employees.
- Games of the type 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.

**When to file.** File Form 730 for each month by the last day of the following month. 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 "0" (zero) in the last box of the dollar amount column. If you stop accepting wagers, check the final return box above line 1.

**Where to file.** Mail your return to the **Internal Revenue Service, Cincinnati, OH 45999-0100**. You may also hand carry your return to the district director's office for the district in which you live or where your principal place of business is located, or to any permanent post of duty within your Internal Revenue district.

**Completing Form 730.** Enter in the boxes provided your name, address, employer identification number (EIN), and the month (MM) and year (YYYY) for which this form is filed.

- Use a black ink pen. The machines used to read this form may not be able to read other colored ink or pencil.
- Print in ALL CAPITAL LETTERS. Begin printing in the first box on the left. Leave a blank box between each name and word. If there are not enough boxes, print as many letters as there are boxes. Use hyphens for compound names; use one box for each hyphen.

**Completing lines 1 through 6.** Enter dollar amounts as follows:

- You do not have to use all the boxes for a column entry; do not use zeros or dashes to fill empty boxes. Do not use commas or dollar signs.
- You may enter the amount in whole dollars. If you do round, leave the boxes for the cents amounts blank. You can drop amounts that are less than 50 cents, and increase amounts that are 50 cents or more to the next whole dollar. If you do round, do so for all amounts. But if you have to add two or more amounts to figure the amount to enter on a line, include cents when adding and only round off the total.

**Line 1.** Enter the gross amount of wagers accepted during the month. Gross wagers are the total of those wagers that are authorized and those wagers that are not authorized by the state in which they are accepted. 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. **Do not** include laid-off wagers in this amount.

**Line 2.** Enter the gross amount of any laid-off wagers you accepted from someone else during the month. Gross laid-off wagers are the total of those laid-off wagers that are authorized and those that are not authorized by the state in which they are accepted. See Regulations section 44.6419-2 for a model certificate.

**Lines 4a and 4b.** Enter the applicable amount from line 3 in the boxes to the left. Multiply the amount by the rate shown and enter the tax in the boxes to the right. The rate of tax depends on whether the wager is authorized by the laws of the state in which the wager was accepted. The lower rate applies to wagers that are authorized by state law.

**Line 5.** You may be able to claim a credit for the amount of any overpayment of tax or for the amount of tax imposed with respect to a wager that you laid off.

**Credit for an overpayment of tax.** You may claim a credit for any overpayment of tax. The claim must be filed within 3 years from the time the Form 730 reporting the tax was filed or 2 years from the time the tax was paid, whichever is later. No credit is allowed unless a statement including the following information is attached.

- The facts involving the overpayment.
- An explanation of the reason for claiming a credit.
- The date of payment and the amount of the tax.
- Whether any previous claim covering the amount involved, or any part, has been filed.
- A statement that you:
  1. Have not collected (whether as a separate charge or otherwise) the amount of the tax from the person who placed the wager on which the tax was imposed, or
  2. Have repaid the amount of the tax to the person who placed the wager, or
  3. Have the written consent of the person who placed the wager to the allowance of the credit. The consent must be attached to the return.
- If the overpayment relates to a laid-off wager accepted by you, one of the above three statements must be attached for both the person who placed the laid-off wager with you and the person who placed the original wager.

**Credit for wagers laid off by you.** If you accept a wager and lay off all or a part of that wager with a person who is liable for tax, then:

- If you have not paid the tax, a credit may be claimed on the Form 730 for the month during which the wager was accepted in the amount of the tax due for the laid-off wager.
- If you have paid the tax, a credit may be allowed for the tax paid on the laid-off amount. The claim must be filed within 3 years from the time the return reporting the tax was filed or 2 years from the time the tax was paid, whichever is later.

Interest will not be allowed on a credit for the tax imposed on a wager that you lay off.

No credit is allowed unless the following information is attached to the return for each laid-off wager.

- The certificate described in Regulations section 44.6419-2(d).
- A statement that includes:
  1. The reason for the credit,
  2. The month in which the tax was paid,
  3. The date of payment, and
  4. Whether any previous claim covering all or part of the amount involved has been filed.

**Recordkeeping.** Keep copies of your tax returns, records, and accounts of all transactions to show that the correct tax has been paid. Keep records to support all adjustments claimed and all exemptions at least 4 years from the latest of the following dates: when the tax became due, when you paid the tax, when you claimed an adjustment, or when you filed a claim for refund.

Always keep your records available for IRS inspection.

**Penalties.** Avoid penalties and interest by filing returns and paying taxes when due. The law provides penalties for filing a return late; paying taxes late; willfully failing to collect and pay tax, or file a return; negligence; and fraud. These penalties are in addition to the interest charge on late payments. The penalty for filing a return late will not be imposed if you can show that the failure to file a timely return is due to reasonable cause.

**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 nontax criminal proceeding. See section 4424 for more details.

**Privacy Act and 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. Section 4401 of the Internal Revenue Code imposes a tax on wagering. The form is used to determine the amount of the tax. Section 6109 requires you to provide your taxpayer identification number (SSN or EIN). Failure to provide this information in a timely manner, or providing false information, may subject you to penalties. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, and the District of Columbia for use in the administration of their taxes.

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 section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 5 hr., 30 min.; **Learning about the law or the form**, 53 min.; **Preparing, copying, assembling, and sending the form to the IRS**, 1 hr., 1 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** on this page.

