

## Indian Tribal Casinos and Reporting Under Title 31

### Notice 96-57

This notice clarifies the reporting requirements under the Internal Revenue Code for cash transactions of more than \$10,000 from gaming activities for Indian tribal casinos with gross annual gaming revenues in excess of \$1 million and with operations on Indian tribal lands. Effective August 1, 1996, these tribal casinos must comply with the currency transaction reporting, record-keeping, and compliance-program requirements of the Bank Secrecy Act (BSA), 31 U.S.C. §§ 5311-5330 (1994). As a result, these tribal casinos are not required to report certain transactions under § 6050I of the Internal Revenue Code.

Section 6050I(a) generally requires any person who is engaged in a trade or business and who, in the course of that trade or business, receives cash in excess of \$10,000 in one transaction (or two or more related transactions) to file an IRS Form 8300 (Report of Cash Payments Over \$10,000 Received in a Trade or Business) with the Internal Revenue Service. However, § 6050I(c) (1) provides an exception from the reporting requirements of § 6050I(a) for

cash received in a transaction reported under Title 31, if the Secretary determines that reporting under § 6050I would be duplicative.

The BSA and the regulations under Title 31 require certain financial institutions to report the receipt (or disbursement) of cash of more than \$10,000 from certain transactions. See 31 U.S.C. § 5313 (1994) and 31 C.F.R. § 103.22(a)(2) (1996). Under § 5312(a)(2)(x) of the BSA and 31 C.F.R. § 103.11(n)(7)(i) the term “financial institution” includes a casino that has gross annual gaming revenues (as described in 31 C.F.R. § 103.11(n)(7)(ii)) in excess of \$1 million.

Effective August 1, 1996, 31 C.F.R. § 103.11(n)(7)(i) was amended to provide that the term “casino” means a casino or gambling casino that is duly licensed or authorized to do business as such in the United States, whether under the laws of a State or of a Territory or Insular Possession of the United States, or under the Indian Gaming Regulatory Act or other federal, state, or tribal law or arrangement affecting Indian lands (including, without limitation, a casino operating on the assumption or under the view that no such authorization is required for casino operation on Indian lands), and that has gross annual gaming

revenue in excess of \$1 million. 61 Fed. Reg. 7055 (1996). This amendment is intended to apply only to Class III casinos.

Accordingly, effective August 1, 1996, any Class III Indian tribal casino having gross annual gaming revenue in excess of \$1 million that engages in a cash transaction of more than \$10,000 (as defined in 31 C.F.R. § 103.22(a)(2)) with respect to gaming activities must report that transaction under 31 U.S.C. § 5313 and the regulations thereunder and satisfy applicable recordkeeping and compliance-program requirements of 31 C.F.R. § 103. Such a casino is not also required to report that transaction under § 6050I of the Code.

Section 6050I continues to apply, however, to a transaction in which cash of more than \$10,000 is received by such a casino from a nongaming business activity (such as a shop, restaurant, entertainment, or hotel). See 26 C.F.R. § 1.6050I-1(d)(2)(iii).

This notice does not affect the current reporting requirements applicable to a Class II gaming establishment.

### DRAFTING INFORMATION

The principal author of this notice is Renay France of the Office of Assistant

Chief Counsel (Income Tax and Accounting). For further information on the provisions in this notice concerning § 6050I, contact Ms. France at 202-622-4940 (not a toll-free number). For further information on the provisions in the notice concerning Title 31, contact Mr. Stephen Kroll at 703-905-3534 or Mr. Peter Djinis at 703-905-3930 at the Financial Crimes Enforcement Network (not toll-free numbers).