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DEPARTMENT OF REVENUE

Notice

Mechanical Amusement Device Distributors and Operators

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (DOR) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of DOR and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

This guidance document may change with updated information or added examples. DOR recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov/gaming to get updates on your topics of interest.

Legislation passed in the 2026 Legislative Session increased the mechanical amusement device decal fee to $70 per decal. No proration is allowed for the second half of the year.

A mechanical amusement device is any machine which, upon insertion of a coin, currency, credit card, or substitute into the machine, operates or may be operated or sued for a game, contest, or amusement of any description. Mechanical amusement devices do not include vending machines which dispense tangible personal property, devices located in private homes for private use, pickle card dispensing devices which are required to be registered with DOR pursuant to Neb. Rev. Stat. §9-345.03, or devices which are mechanically constructed in a manner that would render their operation illegal under the lasw of the State of Nebraska. The presence of a MAD decal on any device only indicates that the device is in compliance with the applicable provisions of the Mechanical Amusement Device Tax Act, Neb. Rev. Stat. §77-3001 to 77-3011. **A MAD decal is not evidence that the device is legal under Chapter 28, article 11 of the Nebraska Revised Statutes (regarding gambling). If you are seeking a decal for a cash device pursuant to LB538, please contact the DOR for further instructions.**

An operator who places a mechanical amusement device into operation without affixing the current year's occupation tax decals is in violation of the Nebraska Mechanical Amusement Device Tax Act. Each device is subject to being sealed by DOR and a penalty of $75 may be assessed against the operator for each device that is in violation. A decal must be properly affixed and conspicuously displayed on each device. The backing on each decal must be removed to permanently affix the decal to the device. Decals that are gtaped or placed over prior years' decals are not properly or permanently affixed.

Mechanical Amusement Devices With Multiple Playing Stations

The following is DOR's position regarding the requirements for affixing multiple decals to devices with multiple playing stations (see Revenue Ruling 54-08-1 on DOR's website). A decal is required for each playing station even when the play stations are part of the same machine. The following examples should assist you in determining the proper number of decals for devices with multiple playing stations.

1. If a device has two playing stations (guns, steering wheels, or dance pads) and can be played by more than one player simultaneously, it requires two decals. If a device has three playing stations, and can by played by one, two, or three players simultaneously it requires three decals.
2. If a device has one screen and one player station, where multiple players can play, but each player takes a turn independent of the other players, it requires one decal. These devices include those known as "Golden T Golf" and pool tables.
3. Devices such as table tennis, air hockey, shuffle board, or foosball require only one decal.
4. Merchandise dispensers that incorporate a game of skill to increase your prize require a decal.
5. Merchandise games that dispense a product and have no player interactions other than activating the game with a coin, currency, or token do not require a decal.

During the license year, additional mechanical amusement device decals must be obtained from the Charitable Gaming Division Lincoln office located at 137 NW 17th Street.

If you have any questions regarding the completion of the Form 54, or need another application, please contact the Charitable Gaming Division at 402-471-5949. Form 54 is also available at revenue.nebraska.gov/gaming (click on the "Mechanical Amusement Devices, Cash Devices & Other Gaming").

Applications and appropriate fees can be mailed to the

Nebraska Department of Revenue
Charitable Gaming Division
PO Box 94855
Lincoln, NE 68509-4855