

Mechanical Amusement Device Distributors and Operators

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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.

New This Year — You can now file your Nebraska Tax Application and Return For Mechanical Amusement Device Decals, Form 54, electronically and pay the decal fee on the Charitable Gaming Online Services Portal. See enclosed instructions. A pre-printed Form 54 is also enclosed if you'd rather submit your return by mail. Whether filing electronically or by mail, the completed application must be submitted to DOR with the applicable fees as soon as possible to receive your 2021 occupation tax decals prior to December 31. Every device in operation as of January 1, 2021 without a 2021 decal must be removed from operation until a new decal is obtained and affixed to the device.

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 used 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 laws 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 in 2021 without affixing the current 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 taped 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 playing 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.
2. If a device has three playing stations and can be played by one, two, or three players simultaneously, it requires three decals.
3. 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.
4. Devices such as table tennis, air hockey, shuffle board, or foosball require only one decal.
5. Merchandise dispensers that incorporate a game of skill to increase your prize require a decal.
6. 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. Decals can no longer be obtained from DOR field offices or through the Revenue Agents in the field.

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 or 877-564-1315. Form 54 is also at revenue.nebraska.gov/gaming (click on "Mechanical Amusement Devices, Cash Devices, & Other Gaming").

Paper applications and appropriate fees can be mailed to the

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