

Nebraska Pickle Card Operator Information Guide and Application

Overview

This guide has been developed to provide a basic overview of the laws and regulations which govern businesses and organizations licensed as pickle card operators in Nebraska. This guide supplements the information contained in the [Nebraska Pickle Card Lottery Act](#) and the [Pickle Card Regulations](#). Important rules of play for selling pickle cards to the public are contained in the regulations and should be thoroughly reviewed by you and all employees who will be selling and redeeming pickle cards.

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.

Terms

Definite Profit. Definite profit is the gross proceeds of a pickle card unit less all of the possible prizes in the unit.

Distributor. A distributor is any licensed person who purchases or obtains pickle card units from licensed manufacturers and sells, distributes, or provides pickle card units in this state to licensed organizations.

Fair Market Value. Fair market value, regarding a pickle card dispensing device, is the amount to be paid for the purchase or rental of the device, in an open and competitive market. Please refer to [Nebraska Pickle Card Regulation 35-316.06](#) for additional information regarding how DOR determines fair market value.

Pickle Card Operator. A pickle card operator is a sole proprietorship, partnership, limited liability company, or corporation which holds a retail liquor license issued by the Nebraska Liquor Control Commission and is licensed by DOR to sell individual pickle cards on behalf of a licensed organization.

Pickle Card Unit. A pickle card unit is a series or complete set of pickle cards which consists of all winning and losing cards in a particular unit or set.

Sales Agent. A sales agent is any licensed person who markets, sells, or delivers pickle card units, on behalf of a licensed organization to any pickle card operator.

Selling Pickle Cards in Nebraska

All pickle cards sold to the public in Nebraska are sold on behalf of nonprofit organizations which are licensed by DOR. All pickle cards legally sold in Nebraska are required to be imprinted by a licensed distributor with the name and state identification number of the licensed organization on whose behalf the cards are being sold.

License Eligibility

To qualify for a pickle card operator's license, the applicant must hold a retail license for the sale of alcoholic liquor for consumption on the premises, or a retail license for the sale of alcoholic liquor for consumption off the premises issued by the Nebraska Liquor Control Commission. The biennial fee for a pickle card operator license is \$100 and the fee must be paid by the applicant. The fee may not be paid on the applicant's behalf by a licensed organization nor may the applicant be reimbursed the fee by a licensed organization. All pickle card operator licenses expire on September 30 of each odd-numbered year. License renewal applications must be submitted to DOR at least 60 days prior to the expiration date of the license. License fees are due in full for the biennial licensing period. However, if a new license application is received by DOR and the license will become effective on or after October 1 of the second year of the biennial licensing period, the license fee is one-half of the biennial fee. A pickle card operator's license is not transferable if the business is sold.

Authorization to Sell Pickle Cards

A pickle card operator's license entitles the business to sell pickle cards for any number of licensed organizations; however, before selling pickle cards for a particular organization, the pickle card operator must be authorized. A licensed organization must apply for and obtain a Pickle Card Operator Authorization from DOR for each pickle card operator location which agrees to sell the organization's pickle cards. This requires the organization to complete and submit a [Nebraska Schedule II – Authorization for Pickle Card Operator, Form 50](#). An owner, officer, member, or partner of the business licensed as a pickle card operator must sign the application. No fee is required to obtain the authorization. The Pickle Card Operator Authorization is mailed to the licensed organization. The licensed organization is responsible for delivering the authorization to the location of the pickle card operator and ensuring that the authorization is prominently displayed. **A business which has obtained a pickle card operator's license may not sell individual pickle cards until it has physical possession of both a pickle card operator's license and an authorization from the licensed organization for which it intends to sell pickle cards.**

Purchasing Pickle Cards Units – Sales Agents

Pickle cards are sold to pickle card operators in the form of a "unit." The only person who is authorized to sell pickle card units to a pickle card operator is the licensed organization's sales agent. A pickle card operator MUST purchase all of its pickle card units through a licensed sales agent. Pickle card operators must pay for all pickle card units either in advance or upon delivery. The extension of credit in any form is strictly prohibited. Unless otherwise specifically authorized by DOR, pickle card units must be paid for by a check drawn on either the business account of the pickle card operator or the personal account of an owner, partner, member, or corporate officer of the business. The cost of a pickle card unit will vary depending on the type of pickle cards sold. The pickle card operator's cost is the difference between the definite profit of the unit and the pickle card operator's commission. The purchase of a pickle card unit must be receipted by the sales agent on a standard receipt form supplied by DOR. A copy of this receipt is left with the pickle card operator and must remain at the location where pickle cards are sold until the unit is completely sold or removed from play. Sales receipts must be available for inspection by Department personnel.

Age Restrictions

No one under 18 years of age is permitted to buy, sell, or play pickle cards. It is unlawful for a pickle card operator or its employees or agents to knowingly allow someone under 18 years of age to buy, sell, or play pickle cards.

Pickle Card Operator Commission

Pickle card operators may be paid a commission by a licensed organization for selling pickle card units on its behalf. The commission cannot exceed 30 percent of the definite profit of the pickle card unit. This is the MAXIMUM amount a pickle card operator may receive. A licensed organization or sales agent cannot provide any further type of compensation, directly or indirectly, to a pickle card operator as an inducement for the pickle card operator's agreement to sell that organization's pickle cards. Other types of illegal inducements include offering to make a donation to the pickle card operator's sports teams or favorite charity, offering to pay license fees for the operator, and offering or providing pickle card dispensing devices to the operator free of charge or for a rate less than fair market value.

Pickle Card Dispensing Devices

Pickle card operators are permitted to sell individual pickle cards to the public through a coin or currency-operated pickle card dispensing device. A pickle card operator may purchase, lease, or rent a dispensing device from a licensed organization, licensed distributor, licensed manufacturer, or any other business which supplies these devices. If the pickle card operator purchases, leases, or rents a device from a licensed organization or licensed distributor, it must be at a rate not less than fair market value. There must be a written agreement between the pickle card operator and the licensed organization or distributor, and the agreement is subject to approval by DOR. All pickle card dispensing devices must be registered with DOR prior to their use. The annual registration fee is \$50 per device. Please see the [Nebraska Pickle Card Dispensing Device Information Guide](#) for further information and requirements regarding dispensing devices.

Taxes

There is a state pickle card tax of 10 percent of the definite profit on each pickle card unit sold; however, this tax is paid by the licensed distributor from which the licensed organization purchases its pickle card units. The distributor collects the tax from the organization as part of the selling price of the unit. The distributor also collects sales tax from the licensed organization on the selling price of the unit. Pickle card operators are not required to charge sales tax on the sale of individual pickle cards to the public.

Federal Filing Requirements

Pickle card operators are required to file with the Internal Revenue Service (IRS) an Occupational Tax and Registration Return for Wagering, Form 11-C, for each person who sells individual pickle cards or pays winning pickle cards. For more information regarding this filing, you should contact the Excise Tax Division of the IRS at 866-699-4096.

Resource List

If you need additional information, see the resources listed below that are available on DOR's Charitable Gaming Division website:

- ❖ [Nebraska Pickle Card Lottery Act](#)
- ❖ [Nebraska Pickle Card Regulations](#)
- ❖ [Nebraska Pickle Card Dispensing Device Guide](#)

revenue.nebraska.gov/gaming
877-564-1315, 402-471-5949

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

Nebraska Application for Pickle Card Operator

- Include \$100 license fee.
- Incomplete applications will be returned.

1 Do you hold or have you previously held a Nebraska Identification Number? <input type="checkbox"/> YES <input type="checkbox"/> NO If yes, give number _____	2 Federal Employer ID Number or Social Security Number _____	Please Do Not Write In This Space
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3 County of Business Location in Nebraska _____	4 Type of Application <input type="checkbox"/> New <input type="checkbox"/> Renewal <input type="checkbox"/> Report Changes <input type="checkbox"/> Cancel (Please enclose license.)
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Business Name and Location Address	Business Name and Mailing Address
Name _____	Name _____
Trade Name of Business (If Different Than Above) _____	Street or Other Mailing Address _____
Street Address _____	City _____ State _____ Zip Code _____
City _____ State _____ Zip Code _____	

5 Type of Ownership

<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Domestic Corporation	<input type="checkbox"/> Foreign Corporation	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Partnership	<input type="checkbox"/> Domesticated Corporation	<input type="checkbox"/> Nonprofit Corporation or Organization	<input type="checkbox"/> Other: _____

6 Liquor License Information

Class of Liquor License: _____ Liquor License Number: _____ Date Licensed Issued: _____

a. If purchasing an existing business, have you applied for a Temporary Operating Permit and filed a Liquor License Application with the Nebraska Liquor Control Commission?
 YES NO If Yes, provide Liquor License Number of previous owner. _____

b. Description of premises covered by liquor license (Attach additional sheet if necessary): _____

Your social security number and date of birth are required under the Nebraska Pickle Card Lottery Act, and will be used to request criminal history information from law enforcement agencies to determine if the legal requirements for a pickle card operator's license are met.

7 Ownership Information:
 List the social security number, full name, home address, date of birth, type of involvement, and percentage of ownership for each of the following persons involved with the applicant:

- If a sole proprietorship, list the individual owner.
- If a partnership, list each partner and spouse.
- If a corporation, list each officer and spouse and each person holding ten percent or more of the debt or equity of the applicant corporation. If any person holding 10 percent or more of the debt or equity of the applicant corporation is a partnership, limited liability company, or corporation, list each partner of such partnership, each member of such limited liability company, or each officer of such corporation and every person holding ten percent or more of the debt or equity of any such partnership, limited liability company or corporation.
- If a limited liability company, list each member and spouse.
- If a nonprofit organization or nonprofit corporation, list each officer and the person designated as manager.

(Attach additional sheet if necessary.)

Social Security Number	Name, Address, City, State, Zip Code	Date of Birth	Type of Involvement and Percentage of Ownership

8 Does any individual listed in line 7 have any interest, directly or indirectly, with any distributor or manufacturer of pickle card units licensed in Nebraska?
 YES NO If Yes, attach a detailed explanation of the individuals involved and the nature of these interests.

9 Is anyone listed in line 7 licensed as a sales agent or utilization of funds member of an organization licensed to conduct a lottery by the sale of pickle cards in Nebraska?
 YES NO If Yes, attach a list of the names of the individuals and the corresponding licensed organizations involved.

10 Is anyone listed in line 7 a director, manager, trustee, or member of the governing committee, board, or body of the licensed organization for which you will be selling pickle cards?
 YES NO If Yes, attach a list of the names and responsibilities of the individuals and the corresponding licensed organizations involved.

11a Has anyone listed in line 7 ever been convicted of, forfeited bond upon a charge of, or pled guilty or nolo contendere to any felony or misdemeanor **at any time** involving any gambling activity or fraud, theft, willful failure to make required payments or reports, or filing false reports with a government agency at any level? (This includes shoplifting or issuing bad checks.)
 YES NO If Yes, see instructions.

11b Has anyone listed in line 7 ever been convicted of, forfeited bond upon a charge of, or pled guilty or nolo contendere to any other felony within ten years preceding the date of this application?
 YES NO If Yes, see instructions.

(Continued on the reverse side.)

12 Does anyone else not listed in line 7 have an ownership interest in the business named in this application? (See instructions.)

YES NO If Yes, indicate the Full Name, Home Address, Social Security Number, Date of Birth, and Title of the individual(s) involved and the nature of their interest.

13 Name of Person to Contact Regarding This Application:

Name _____ Title _____ Daytime Telephone Number _____

E-Mail Address _____

Under penalties of law, I declare that I have examined this application, and to the best of my knowledge and belief, it is correct and complete. I will comply with all of the provisions of the Nebraska Pickle Card Lottery Act and the regulations adopted under such Act.

**sign
here**

Signature of **Owner, Partner, Officer or Member listed in line 7**, or Person Authorized by Attached Power of Attorney

Title _____

Date _____

Home _____

Work _____

Telephone Numbers _____

E-Mail Address _____

Mail the original application and \$100 fee to:

Nebraska Department of Revenue, Charitable Gaming Division, PO Box 94855, Lincoln, NE 68509-4855
Please make a copy for your records.

Instructions

Who Must File. Any sole proprietorship, limited liability company, partnership, or corporation which desires to sell individual pickle cards on behalf of an organization licensed to conduct a lottery by the sale of pickle cards in Nebraska must apply for and obtain a pickle card operator’s license.

Eligibility Criteria. To qualify for a pickle card operator’s license, the applicant must hold a retail license for the sale of alcoholic liquor for consumption on the premises or a retail license for the sale of alcoholic liquor for consumption off the premises issued by the Nebraska Liquor Control Commission.

When and Where to File. A business which has not been previously licensed, may submit the application at any time during the licensing period. All pickle card operator licenses expire on September 30 of each odd-numbered year and may be renewed biennially. All applications for license renewal must be submitted at least 60 days prior to the expiration date of the license. License fees are due in full for the biennial licensing period. However, if a new license application is received by the Nebraska Department of Revenue (Department) and the license will become effective on or after October 1 of the second year of the biennial licensing period, the license fee to be remitted to DOR is one-half of the biennial fee. Checks written to the Nebraska Department of Revenue may be presented electronically.

The license application and fee are to be mailed to the Nebraska Department of Revenue, Charitable Gaming Division, P.O. Box 94855, Lincoln, Nebraska 68509-4855. File the original application and not a photocopy. Please make a copy of the application for your records.

This license application may also be used during the licensing period to report changes in the application information originally submitted or to cancel the license. If requesting cancellation of the license, please include the original license certificate issued by DOR.

Scope of Pickle Card Operator’s License. The pickle card operator’s license is valid for the business in whose name it was issued, including all employees and agents of the business at that location. A pickle card operator’s license may not be transferred under any circumstances, including change of ownership.

Specific Instructions

Business Name and Location Address. Enter the name, trade name (if applicable), and location of the business or organization applying for the pickle card operator’s license. The pickle card operator’s license is valid only for the location indicated.

Business Name and Mailing Address. Enter the name and mailing address to which all information concerning pickle card operators and the conduct of a lottery by the sale of pickle cards should be mailed.

Line 4. Indicate the type of application: new; renewal; report changes; or cancel. If cancellation is requested, the original license certificate must be returned to DOR with the cancellation request.

Line 5 Type of Ownership. Enter the type of ownership of your business or organization. Partnership includes all types of partnerships such as general, limited, and joint ventures. A domestic corporation is a corporation which is organized under the laws of Nebraska and has qualified to do business in this state. A foreign corporation is a corporation which is organized under the laws of another state. A domesticated corporation is a foreign corporation that has been domesticated in accordance with Nebraska law. A nonprofit organization or corporation is one in which no part of the income is distributed to its members, directors, or officers.

Line 6. Indicate the classes of liquor licenses held by your business or organization and the license numbers assigned by the Nebraska Liquor Control Commission, including the dates the licenses were issued.

Indicate if you are currently operating the business named in this application under a Temporary Operating Permit issued by the Nebraska Liquor Control Commission.

Provide a brief description of the building or portion of the building where pickle cards will be sold. A pickle card operator's license is valid for the area covered by the liquor license except for any outdoor area. For example: 1810 West 10th Street - East portion approximately 50' x 100' of main floor of three story building.

Lines 9 and 10. The Nebraska Pickle Card Lottery Act prohibits a sole proprietor, partner in a partnership, officer or director of a corporation, or member in a limited liability company licensed as a pickle card operator from holding a license as a sales agent or serving as a director, manager, trustee, or member of any governing committee, board, or body of the licensed organization for which the pickle card operator sells individual pickle cards. If this conflict exists, provide the names of the individuals involved, the names of the licensed organizations affected, and an indication of the nature of the individual's involvement.

Lines 11a and 11b. If you answered Yes to either of these questions, to the extent this information is available, provide: the date and place the incident occurred; the court case or docket number under which it is filed; the original charge or ultimate disposition of the matter; and a description of the events which are the subject of the incident. If you fail to answer the question, your license application will be returned to you and the issuance of your license may be delayed. Failure to disclose a material fact to DOR on your license application may also be considered grounds for license application denial.

Line 12. Identify any individuals not listed in line 7 which have an ownership interest in the business named in the application. Ownership interest means a right to share in the profits, losses, or liabilities of the business and includes loan guarantors who make actual debt payments for or contribute capital to an operation with a contingent right to share in the profits, losses, or liabilities of the operation. Do not include any stockholder holding less than 10 percent of the stock of the corporation or any financial institution organized or chartered under the laws of Nebraska, any other state, or the United States relating to banks, savings institutions, trust companies, savings and loan associations, credit unions, installment loan licensees, or similar associations organized under the laws of Nebraska and subject to supervision by DOR of Banking and Finance.

Authorized Signatures. The Nebraska Application for Pickle Card Operator, Form 50D, must be signed by an owner, partner, officer, or member listed in line 7, or a person authorized by an attached [Power of Attorney, Form 33](#).

Any questions regarding the completion of the application may be addressed to the Nebraska Department of Revenue, Charitable Gaming Division, P.O. Box 94855, Lincoln, NE 68509-4855, or by calling 877-564-1315 or 402-471-5949. Additional information and forms may be obtained from DOR's website at revenue.nebraska.gov/gaming.