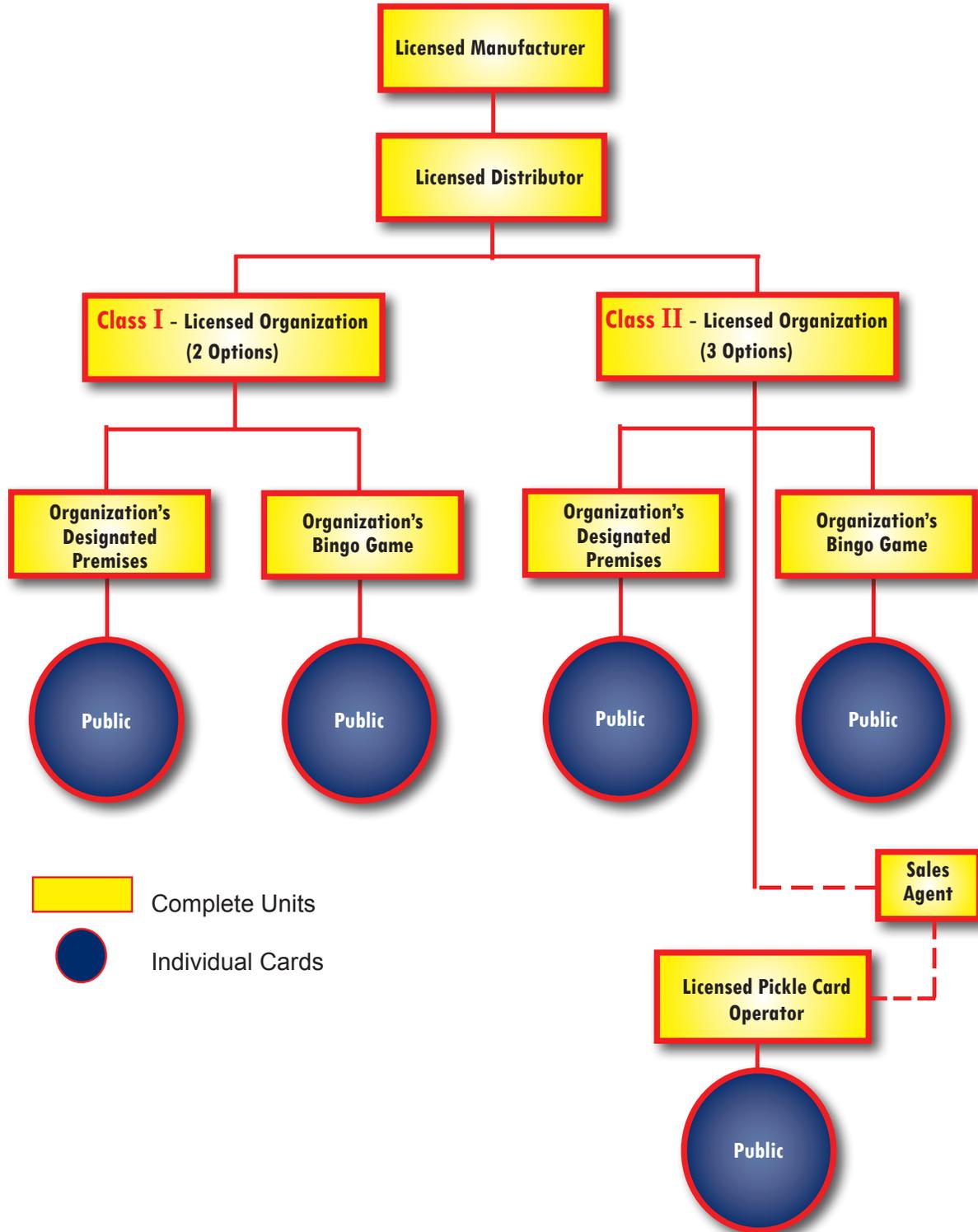


How Pickle Cards Are Sold

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department 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. The Department 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.



For more information, please contact the Charitable Gaming Division of the Nebraska Department of Revenue,
137 NW 17th Street, PO Box 94855, Lincoln, NE 68509-4855.
revenue.nebraska.gov/gaming, 402-471-5937 or 877-564-1315

Marketing of a Pickle Card Unit

Example based on a 4,000 count unit with prize payout of 75%

Unit Breakdown

	\$1.00 Card	\$.50 Card
Gross Proceeds	\$4,000	\$2,000
Less Prizes (75%*)	<u>-3,000</u>	<u>-1,500</u>
Definite Profit	\$1,000	\$ 500

Pickle Card Operator Commission

Operator receives as commission <small>Maximum 30% of Definite Profit</small>	<u>-\$300</u>	<u>-\$150</u>
Operator pays to Nonprofit Organization	<u>\$700</u>	<u>\$350</u>

Nonprofit Organization Cost

Unit Cost	\$87	\$87
Imprinting	5	5
Pickle Card Tax (10% of Definite Profit)	100	50
Sales Tax (certain exemptions may apply)	13	10
Federal Excise Tax (if applicable, .25% of Gross Proceeds)	<u>10</u>	<u>5</u>
Total	\$215	\$157

Nonprofit Organization Allowable Expenses

Sales Agent Commission <small>(Maximum 6% of Definite Profit**)</small>	\$60	\$30
Other Expenses	<u>60</u>	<u>30</u>
Total Allowable Expenses <small>(Maximum 12% of Definite Profit)</small>	\$120	\$60
Total Expenses Paid by Organization	<u>\$335</u>	<u>\$217</u>

Nonprofit Organization Profit <small>(Per Unit)</small>	<u>\$365</u>	<u>\$133</u>
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* Prize payout can range from 65% to 80%

** Included within 12% overall expense limitation.