

# **Instructions for preparation of the Monthly Internet Sports Betting Tax Form - Detroit Casino Operators**

## **General:**

A sports betting operator must remit to the Michigan Gaming Control Board (Board) the wagering tax based on the adjusted gross sports betting receipts.

Forms must be filed each month, regardless of whether or not a tax is incurred during the month. The payment for each monthly accounting period is due on the tenth day of the following month.

If a due date falls on a weekend or a holiday, the due date shifts to the first business day following the weekend or holiday.

Enter all amounts, unless otherwise directed, in dollars and cents (i.e., 125.50 or 545.00). When necessary, round up or down to the nearest cent.

The amounts reported must be based on "cash basis".

"AC" denotes field auto-calculates if using electronic version of the form.

## **Line 1:**

Enter the total of all sums, including, but not limited to, valid or invalid checks, valid or invalid credit or debit card deposits, valid or invalid ACH deposits, currency, coupons, free play or promotional credits, redeemable credits, vouchers, entry fees assessed for tournaments or other contests, or instruments of monetary value whether collected or uncollected, in each case actually wagered (including future wagers) by an authorized participant at or with a sports betting operator on sports betting.

## **Line 2:**

Enter, as a positive number, the total winnings paid (total cash value paid to authorized participants). Do not include unredeemed winnings.

"Winnings" means the total cash value of all property or sums including currency or instruments of monetary value paid to an authorized participant by a sports betting operator as a direct result of a winning sports betting wager.

## **Line 3:**

Enter as a positive number the amounts returned to an authorized participant due to a game, platform, or system malfunction and that were previously included in the computation of gross sports betting receipts.<sup>1</sup>

## **Line 4:**

Enter as a positive number the amounts returned to an authorized participant due to a wager being voided due to concerns regarding integrity of the wager or game and that were previously included in the computation of gross sports betting receipts.<sup>1</sup>

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<sup>1</sup> Line 3, 4 and 5 if amounts are reported on these lines, the sports betting operator must submit a written explanation identifying the reason a deduction was taken and provide supporting documentation for the amount of the deduction and proof that it previously was included in the computation of gross sports betting receipts.

**Line 5:**

Enter as a positive number the total of uncollectible markers or successfully disputed credit or debit card charges that were previously included in the computation of gross sports betting receipts.<sup>1</sup>

**Line 6 (AC):**

Calculate and enter the total deductions (Sum Lines 2, 3, 4 and 5).

**Line 7 (AC):**

Calculate and enter the gross sports betting receipts (Line 1 minus Line 6).

**Line 8:**

Enter as a positive number the monetary value of free play wagered by authorized participants as an incentive to place or as a result of their having placed internet sports betting wagers.

**Line 9 (AC):**

Enter net adjustment(s) from Schedule A, Line 11. Only enter an amount on this line if approved by the Board.<sup>2</sup> Adjustments included in Line 9 may include corrections to reporting errors on a previously submitted Monthly Internet Sports Betting Tax Form.

On Schedule A, enter the form period related to the adjustment, a description of the adjustment and the amount of adjustment (positive or negative).

**Line 10 (AC):**

Calculate and enter the adjusted gross sports betting receipts (Sum Lines 7, 8, and 9).

**Line 11:**

Enter as a positive number the negative adjusted gross sports betting receipts from previous month(s) line 12, if applicable.

Rule 432.767 (2) states, "If the amount of adjusted gross sports betting receipts for a month is a negative figure, the sports betting operator will remit no sports betting tax or payment for that month. Any negative adjusted gross sports betting receipts will be carried over and calculated as a deduction on the tax form or payment form on the subsequent months until the negative figure has been brought to a zero balance."

**Line 12 (AC):**

Calculate and enter the net adjusted gross sports betting receipts (Sum Line 10 and Line 11).

**Line 13 (AC):**

Calculate and enter the City wagering tax due. (Line 12 multiplied by the 2.52% (0.0252) tax rate).

If the amount of wagering tax is negative, the sports betting operator shall remit no wagering tax for the month per Rule 432.767 (2).

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<sup>2</sup> If a sports betting operator is aware of a reporting error related to a form previously submitted, the sports betting operator must notify the Board in writing. The notification must explain the error, how it was detected, the tax impact and potential tax adjustment needed to correct the error. Please include all documentation to support the error and potential tax adjustments. The Board will review to determine if any tax adjustments are needed. If so, the Board will notify the sports betting operator of the tax adjustment they can include on the next monthly internet sports betting tax form on Schedule A.

**Line 14 (AC):**

Calculate and enter the State wagering tax due. (Line 12 multiplied by the 5.88% (0.0588) tax rate).

If the amount of wagering tax is negative, the sports betting operator shall remit no wagering tax for the month per Rule 432.767 (2).

**Line 15 (AC):**

Calculate and enter the total wagering tax due. (Line 13 + Line 14).

**Line 16 (AC):**

Calculate and enter the municipal service fee due to the City (per LSBA 432.414 (5)). (Line 12 multiplied by the 1.25% (0.0125) rate).

**Filing and Payment:**

1. Sign and date the form.
2. Email the following to [MGCBFinancialServices@michigan.gov](mailto:MGCBFinancialServices@michigan.gov):
  - a. Signed copy of the form
  - b. Excel version of the form
  - c. All supporting documentation for all relevant amounts reported
3. For State Taxes: ACH transfer tax payment to MGCB's account using instructions provided in a separate document. For ACH transfer instructions, please send an email request to [MGCBFinancialServices@michigan.gov](mailto:MGCBFinancialServices@michigan.gov) (Please note: do not combine payment with any other tax payments).
4. After completing the ACH transfer, please email the expected date, dollar amount of the transaction, the purpose of the transaction, and a copy of the excel tax form to [MGCBFinancialServices@michigan.gov](mailto:MGCBFinancialServices@michigan.gov)
5. If you are unable to complete an ACH transfer, mail a copy of the Monthly Internet Sports Betting Tax Form with a check or money order made payable to "State of Michigan" to:  
Michigan Gaming Control Board  
c/o Internet Sports Betting  
PO Box 30786  
Lansing, MI 48909
6. For City of Detroit Taxes/Fees: Pay the City taxes and fees directly to the City of Detroit. Contact them to determine how they prefer to receive payments.