

**Arizona Department of Gaming
Instructions for Monthly Reporting of
Adjusted Gross Event Wagering Receipts (Retail) and
Payment of Privilege Fees (Updated 11/2021)**

General

As required by Arizona Administrative Code R19-4-112, event wagering operators shall file a monthly report indicating the monthly adjusted gross event wagering receipts. The calculation of adjusted gross event wagering receipts shall be reported in the format required by the Department. The responsible party shall submit all necessary supporting documentation as directed by the Department to confirm the calculation of adjusted gross event wagering receipts. Persons completing this report shall consult the Arizona Revised Statutes (A.R.S.) to ensure that all revenues have been calculated properly.

“Adjusted Gross Event Wagering Receipts” for event wagering is defined as “an event wagering operator’s gross wagering receipts, excluding voided bets, minus winnings paid to authorized participants and any federal excise tax” [A.R.S. § 5-1301(1)]. See Title 5 of the (A.R.S.) and Title 19 of the Arizona Administrative Code (A.A.C.) for additional definitions and requirements.

The Monthly Report of Event Wagering Retail Revenue and supporting documentation shall be filed with the Department of Gaming not later than the twenty-fifth (25th) day of each month for the preceding month [A.A.C. R19-4-112(B)]. This is a required report; in the event there is no activity during the month, please prepare the report reflecting zero dollars, date, sign, and submit.

The report shall be submitted in both Microsoft Excel and portable document format (pdf) and shall be verified by the signature of an authorized representative of the event wagering operator, for example, the Chief Financial Officer. Upon signing the report, the signature shall represent that the information contained in the report is accurate and complete. The report shall be submitted electronically to revenue-reports@azgaming.gov.

Privilege fee payments are due and payable to the Department of Gaming by the twenty-fifth (25th) day of each month and shall be eight percent (8%) of adjusted gross event wagering receipts for retail operations [A.R.S. § 5-1318(A) and A.A.C. R19-4-112(A)].

Privilege fee payments shall be paid through the Department of Gaming payment portal and the corresponding receipt number shall be documented on the monthly revenue report form. Please attach a copy of the receipt when submitting the report.

The Payment Portal is located at: <https://adgpay-ewfs.az.gov/>.

Please direct any inquiries to Donna Casillas at (602) 710-0972 or via email at: dcasillas@azgaming.gov.

Specific Instructions of Report

All amounts are to be entered in dollars and cents (up to 2 decimal places). Cells shaded in gray are formula driven; please do not enter data in gray shaded cells.

Part A:

This section details the individual revenue components of Event Wagering-Retail.

Please attach summary pages from the on-line event wagering-retail system reports that reflect the individual amounts reported in Part A. Variances between the online event wagering-retail report and the amount(s) reported in Part A must be identified in the data entry section of the report. If any other variances exist between the on-line event wagering-retail system report and the amount reported in Part A, a written explanation in the form of a reconciliation, and system reports which support the explanation and the amount, must accompany the report.

The deduction on line 4 for federal excise tax is calculated at 0.25% of the amount wagered. Please attach a report that supports the total federal excise tax paid.

If the operator offers free bets or promotional credits, a deduction from adjusted gross event wagering receipts equal to the value of free bets or promotional credits redeemed by authorized participants may be taken as provided for in A.R.S. § 5-1301(1). Attach a report from the host system which reflects the total value of free bets or promotional credits redeemed by authorized participants.

There is a separate section for the calculation of the allowable deduction for free bets or promotional credits. Enter in the actual amount of free bets or promotional credits redeemed by authorized participants during the month on Line A; this amount must agree with the host system report mentioned above.

The deduction under A.R.S. § 5-1301(1) for free bets or promotional credits is limited to the first five years following the effective date of this section as follows:

- a) For years one and two, a deduction not to exceed twenty percent of an event wagering operator's gross wagering receipts.
- b) For year three, a deduction not to exceed fifteen percent of an event wagering operator's gross wagering receipts.
- c) For years four and five, a deduction not to exceed ten percent of an event wagering operator's gross wagering receipts.
- d) For year six and each year thereafter, a deduction of free bets is not allowed. January 1 following the year in which the event wagering operator begins event wagering operations is considered the first year of event wagering for the purposes of this paragraph. An event wagering operator may deduct up to twenty percent of an event wagering operator's gross wagering receipts during any period that the operator conducts event wagering before January 1 of the first year of event wagering operations.

*At the beginning of calendar year 2025, the Department will publish an updated reporting form to be used for reporting of calendar year(s) 2025 and 2026 revenue. This updated form will reflect the allowable deduction for years four and five, as described above.

The section for prior period adjustments shall only be used for corrections or adjustments related to a prior month, not the month covered by this report. The operator/designee shall attach adequate records to support any prior period adjustments. Supporting documentation in the form of event wagering system reports will be required if applicable.

Part B:

This section calculates privilege fees due and payable to the Department of Gaming; the formula is based on the established fee for the privilege of operating event wagering for retail operations and is eight percent (8%) of adjusted gross event wagering receipts for retail operations [A.R.S. § 5-1318(A) and R19-4-112(A)].

Enter in the annual audit adjustment, if applicable. See R19-4-112(B)(2).

Privilege fee payments are due and payable to the Department not later than the twenty-fifth (25th) day of each month. These fees are separate and apart from any other fees required. Record the receipt number from the Department of Gaming payment portal and attach a copy of the receipt when submitting the report.