

104TH CONGRESS
2D SESSION

H. R. 4157

To amend the Internal Revenue Code of 1986 to provide that the conducting of certain games of chance shall not be treated as an unrelated trade or business.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 24, 1996

Mr. RAMSTAD (for himself, Mr. GUTKNECHT, Mr. LUTHER, Mr. MINGE, Mr. OBERSTAR, Mr. PETERSON of Minnesota, Mr. SABO, and Mr. VENTO) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide that the conducting of certain games of chance shall not be treated as an unrelated trade or business.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CONDUCT OF CERTAIN GAMES OF CHANCE NOT**
4 **TREATED AS UNRELATED TRADE OR**
5 **BUSINESS.**

6 (a) IN GENERAL.—Paragraph (1) of section 513(f)
7 of the Internal Revenue Code of 1986 (relating to certain

1 bingo games) is amended by inserting before the period
2 “or qualified games of chance”.

3 (b) QUALIFIED GAMES OF CHANCE.—Subsection (f)
4 of section 513 of such Code is amended by adding at the
5 end the following new paragraph:

6 “(3) QUALIFIED GAMES OF CHANCE.—For pur-
7 poses of paragraph (1), the term ‘qualified game of
8 chance’ means any game of chance (other than
9 bingo) conducted by an organization if—

10 “(A) such organization is licensed pursu-
11 ant to State law to conduct such game,

12 “(B) only organizations which are orga-
13 nized as nonprofit corporations or are exempt
14 from tax under section 501(a) may be so li-
15 censed to conduct such game within the State,
16 and

17 “(C) the conduct of such game does not
18 violate State or local law.”

19 (c) CLERICAL AMENDMENT.—The subsection head-
20 ing of section 513(f) of such Code is amended by striking
21 “BINGO GAMES” and inserting “GAMES OF CHANCE”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall apply to games conducted after the date
24 of enactment of this Act.

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