

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Purpose of form. Form 11-C is used to register certain information with the IRS and to pay the occupational tax on wagering. You must pay the occupational tax if you accept taxable wagers for yourself or another person. There are two amounts of occupational tax (\$50 or \$500). One or the other applies depending on whether the wagers you accept are authorized by the laws of the state in which you accept the wager. See the instructions for *Line 2* to determine your occupational tax. Your cancelled check is proof of registration and payment.

Who must file. File Form 11-C if you are a principal or an agent.

1. A principal is a person who is in the business of accepting taxable wagers for his or her own account. This is the person who makes a profit or risks loss depending on the outcome of the event or contest for which the wager is accepted.

2. An agent is a person who accepts taxable wagers on the principal's behalf.

Taxable wagers include those placed:

- On a sports event or contest with a person engaged in the business of accepting wagers on a sports event or contest.
- In a wagering pool on a sports event or contest if the pool is conducted for profit.
- In a lottery conducted for profit (other than a state-conducted lottery). The term lottery includes the numbers game, policy, punch boards, and similar types of wagering.

What is not taxed. The tax is not imposed on the following five items.

- A parimutuel wagering enterprise, including horse racing, dog racing, and jai alai, when licensed under the laws of the state in which accepted.
- Coin-operated devices, such as pinball machines.
- Sweepstakes, wagering pools, or lotteries that are conducted by an agency of a state, if the wager is placed with the state agency or its authorized agents or employees.
- Games of the type in which usually all persons placing wagers in the game are present when wagers are placed, winners are determined, and prizes or other property are distributed.
- Drawings conducted by an organization exempt from tax under sections 501 or 521, as long as the net proceeds of the drawing do not inure to the benefit of a private shareholder or individual.

Definitions. See the Instructions for Form 730 for the definition of sports event, contest, wagering pool, and lottery.

When to file. File the first return before wagers are accepted. After that, file a renewal return by July 1 for each year wagers are accepted. A first return is also due in certain situations in which there has been a change in ownership or control. The return must be filed within 30 days after new members are admitted to a firm or partnership; a corporation is formed to continue the business of a partnership; or a stockholder continues the business of a dissolved corporation.

Employer Identification Number (EIN). Enter your EIN. If you do not have an EIN, apply for one online. Go to the IRS website at www.irs.gov/businesses/small and click on the "Employer ID Numbers" link. You may also apply for an EIN by calling 1-800-829-4933, or you can fax or mail Form SS-4, Application for Employer Identification Number, to the IRS.

Address. If you are an individual, enter your home address.

Signature. Form 11-C must be signed by a person who has authority to sign for the taxpayer.

Where to file. Mail Form 11-C, your check or money order, and Form 11-C(V) to:

**Department of the Treasury
Internal Revenue Service
Cincinnati, OH 45999-0101**

Mail the return using the U.S. Postal Service or other designated private delivery service. See the instructions for your income tax return for more information about private delivery services.

Penalties. There are penalties for not filing on time, for accepting wagers before paying the tax, and for willfully failing to file the return. There are also penalties for making or helping to make false returns, documents, or statements.

Disclosure of information on wagering taxes. Except for administering or enforcing Internal Revenue taxes, neither the Treasury Department nor any of its employees may disclose documents, records, or information obtained through them that a taxpayer supplies in connection with wagering taxes. Also, certain documents related to wagering taxes and information obtained through them that relates to wagering taxes may not be used against the taxpayer in any nontax criminal proceeding. See section 4424 for more details.

Refund. A refund for an overpayment of the occupational tax may be claimed on Form 8849, Claim for Refund of Excise Taxes, using Schedule 6. See the Instructions for Form 8849 for details.

Specific Instructions

Return period. Enter the month, day, and year the return period begins. Also, enter the ending year. Write the year as a four-digit number (for example, 2008 or 2009).

Line 1. Enter the day and month that you will start accepting wagers. A full month's tax is due regardless of which day you start accepting wagers during a month.

Line 2. Use the table below to determine the tax. The \$50 tax applies if all wagers (including those accepted by an agent for another) are authorized under the laws of the state in which accepted. If you intend to accept wagers that are not authorized by the state, the \$500 tax applies. The tax is payable for the period that begins July 1 of each year. If you start accepting wagers after July 31, the tax is prorated for the first year.

Note. This tax is paid once for each period that begins July 1. If you are required to file a supplemental registration, do not pay the tax a second time.

| If you start accepting wagers in | \$500 tax | \$50 tax |
|----------------------------------|-----------|----------|
| July | \$500.00 | \$50.00 |
| August | 458.33 | 45.83 |
| September | 416.66 | 41.66 |
| October | 375.00 | 37.50 |
| November | 333.33 | 33.33 |
| December | 291.66 | 29.16 |
| January | 250.00 | 25.00 |
| February | 208.33 | 20.83 |
| March | 166.66 | 16.66 |
| April | 125.00 | 12.50 |
| May | 83.33 | 8.33 |
| June | 41.66 | 4.16 |

Payment voucher. Complete Form 11-C(V), Payment Voucher, and file it with Form 11-C and your payment.

Line 3. You must check one of the boxes. See *Who must file* for the definition of principal and agent. Principals are liable for the excise tax on wagers, which is reported and filed monthly on Form 730, Monthly Tax Return for Wagers.

Lines 4 and 5. These lines are to be completed by principals only. Enter applicable information for officers and/or partners of the company on line 4. Enter on line 5a the name and address of each location where business will be conducted. Enter the number of agents who accept wagers for you on line 5b and their names, addresses, and EINs on line 5c.

Line 6. This line is to be completed by agents accepting wagers on behalf of another. Enter the name, address, and EIN of each person or company on whose behalf you accept wagers.

Supplemental Registration

Line 7. A supplemental registration must be filed by principals within 30 days (except for items 1 and 7 below) when any of the following events occur.

1. You change your business or home address. You must register the change before accepting wagers at the new address or by the end of the 30-day period after the change of address, whichever occurs first.
2. You continue for the remainder of the period, as the surviving spouse or child, executor, administrator, or other legal representative, the business of a deceased person who paid the occupational tax.
3. You continue for the remainder of the period the business as a receiver or trustee in bankruptcy.
4. You continue for the remainder of the period the business as an assignee for creditors.
5. One or more members withdraws from a firm or partnership.
6. The corporate name is changed.
7. You engage a new agent to receive wagers. You must file a supplemental registration to report the name, address, and EIN of each new agent within 10 days after you engage the agent.

Agents. You must complete line 7 if you have previously filed Form 11-C and are engaged to receive wagers for another. You must register the name, address, and EIN of each new person who engaged you within 10 days after being engaged.

How to file a supplemental registration. Complete the name, address, EIN, business address, and alias lines. Also, be sure to check the "supplemental registration" box. Then check the applicable box on line 3 and enter the information that has changed on line 7, including the date of the event of change. Do not complete lines 1, 2, 4, 5, or 6 for a supplemental registration.

Form 11-C(V), Payment Voucher

Purpose of Form

Complete Form 11-C(V), Payment Voucher, and file it with Form 11-C, Occupational Tax and Registration Return for Wagering. We will use Form 11-C(V) to credit your payment more promptly and accurately, and to improve our service to you.

If you have your return prepared by a third party, provide Form 11-C(V) to the return preparer.

Specific Instructions

Box 1. If you do not have an EIN, apply for one online. Go to the IRS website at www.irs.gov/businesses/small and click on the "Employer ID Numbers" link. You may also apply for an EIN by calling 1-800-829-4933, or you can fax or mail Form SS-4, Application for Employer Identification Number, to the IRS.

Box 2. Enter the amount paid with Form 11-C.

Box 3. Enter the same year and month you entered on the "Return for period from" line at the top of Form 11-C. For example, if your return is for the full period that begins July 1, 2008, enter 200807.

Box 4. Enter your name and address as shown on Form 11-C.

- Enclose your check or money order made payable to the "United States Treasury." Be sure to enter your EIN, "Form 11-C," and the tax period on your check or money order. Do not send cash. Do not staple Form 11-C(V) or your payment to Form 11-C (or to each other).

- Detach Form 11-C(V) and send it with your payment and Form 11-C. See *Where to file* on page 3.

▼ Detach Here and Mail With Your Payment and Form 11-C. ▼

Form **11-C(V)**

(Rev. April 2008)
Department of the Treasury
Internal Revenue Service

Payment Voucher

OMB No. 1545-0235

▶ Do not staple or attach this voucher to your payment or Form 11-C.

| | | | |
|---|---|---------|-------|
| 1 Enter your employer identification number. : : | 2 Enter the amount of your payment. ▶ | Dollars | Cents |
| 3 Enter year and month as shown on Form 11-C. Y Y Y Y M M | 4 Enter your business name (individual name if sole proprietor). _____ Enter your address. | | |
| Send Form 11-C, this voucher, and payment to: Department of the Treasury Internal Revenue Service Cincinnati, OH 45999-0101 | | | |
| _____ Enter your city, state, and ZIP code. | | | |

Privacy Act and Paperwork Reduction Act Notice

We ask for the information on Form 11-C to carry out the Internal Revenue laws of the United States. You are required to give us the information. We need it to ensure that you are complying with these laws and to allow us to figure and collect the right amount of tax. Section 4411 imposes a special tax on each person who is engaged in receiving wagers for or on behalf of any person liable for the tax on wagers. Section 4412 requires that person to register with the IRS. Form 11-C is used to determine the amount of the tax you owe and to register certain information with the IRS. Section 6109 requires you to provide your identification number. Unless specifically prohibited by law, routine uses of this information include giving it to the Department of Justice for civil and criminal litigation; to cities, states, and the District of Columbia for use in administering their tax laws; to other countries under a tax treaty; to federal and state agencies to enforce federal nontax criminal laws; or to federal law enforcement and intelligence agencies to combat terrorism. If you fail to provide this information in a timely manner, you may be subject to penalties and interest.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The time needed to complete and file this form will vary depending on individual circumstances. The estimated average time is: **Recordkeeping**, 7 hr., 24 min.; **Learning about the law or the form**, 57 min.; **Preparing the form**, 2 hr., 3 min.; and **Copying, assembling, and sending the form to the IRS**, 16 min.

If you have comments concerning the accuracy of these time estimates or suggestions for making this form simpler, we would be happy to hear from you. You can write to the Internal Revenue Service, Tax Products Coordinating Committee, SE:W:CAR:MP:T:T:SP, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send the form to this address. Instead, see *Where to file* on page 3.