

481—100.18(99B) Net receipts. At least 60 percent of net receipts shall be dedicated and distributed to educational, civic, public, charitable, patriotic, or religious uses.

100.18(1) Examples. The following examples illustrate methods to determine net receipts, allowable expenses, and the amount requested to be dedicated and distributed.

a. Example 1. When sales tax is not included in gross receipts, sales tax need not be deducted to arrive at net receipts.

Gross receipts (excluding sales tax)	\$100,000
Amount awarded as prizes	\$20,000
Net receipts	\$80,000
Minimum dedicated and distributed (60% of net receipts)	\$48,000
Maximum expenses (40% of net receipts)	\$32,000

b. Example 2. When sales tax is included in gross receipts, it is deducted to arrive at net receipts.

Gross receipts (including sales tax)	\$107,000
Amount awarded as prizes	\$20,000
Sales tax (7%)	\$7,000
Net receipts	\$80,000
Minimum dedicated and distributed (60% of net receipts)	\$48,000
Maximum expenses (40% of net receipts)	\$32,000

100.18(2) Time for distribution. Net receipts received during the calendar year shall be distributed no later than 30 days following the end of each calendar year unless permission to do otherwise is requested in writing and granted by the department.

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