

**481—103.6(99B) Prizes.** Cash or merchandise prizes awarded for each game shall not exceed \$250 in value. Jackpot games are excepted and are governed by standards in subrule 103.6(5). The exact amount of the prize shall be announced before the beginning of each game.

**103.6(1)** Prizes shall be recorded each occasion on the daily bingo summary (see Table A<sup>1</sup>) as they are paid by listing the number of the game; the pattern required to win; the type, color, and series of cards used in the game; and the amount of the prize. The name, address, and social security number of each jackpot winner is required.

NOTE: Prizes of more than \$600 require the deduction of 5 percent withholding taxes. See paragraph 103.6(5) "g."

**103.6(2)** Prizes awarded in games with more than one winner shall be shared equally. It is permissible to round up or down, provided doing so does not exceed the maximum payout for that particular game.

Examples of prizes awarded in games with more than one winner:

1. Two winners with a total of three bingos: Player 1 has two bingos in separate squares, and Player 2 has one bingo in one square. Player 1 receives 2/3 of the prize, and Player 2 receives 1/3 of the prize.

2. Multiple winners equally splitting a prize with rounding to the nearest dollar: Six players all win the single \$250 prize. The appropriate payout is \$41.66 each, but rounding to the nearest dollar (\$42) for each winner would result in a payout of \$252, in violation of the maximum payout for a nonjackpot bingo game.

**103.6(3)** An animal shall not be awarded as a prize for persons participating in a game or fair event.

**103.6(4)** A player shall not be required to return cash or a merchandise prize won in one game in order to play a subsequent game.

**103.6(5)** No more than two jackpot games may be played during a 24-hour period as follows:

a. An organization is limited to two jackpot games.

b. The jackpot starting prize shall not exceed \$500 in cash or actual retail value of merchandise.

c. The jackpot prize shall not increase more than \$200 after each jackpot game. The maximum prize shall not be greater than \$1,000 for the first jackpot game and shall not be greater than \$2,500 for the second jackpot game.

d. The jackpot prize shall not decrease until it is won.

e. If a jackpot is not won in the specified number of calls, the game reverts to a regular game with a prize of \$250 or less.

f. Each jackpot game shall begin again at no more than \$500.

g. Cash prizes over \$600 require the deduction of 5 percent withholding taxes. This tax is to be withheld by the organization conducting the game. The amount deducted shall be remitted to the Iowa department of revenue on behalf of the prize winner.

This rule is intended to implement Iowa Code sections 99B.21, 422.16 and 717D.2.

[ARC 1929C, IAB 4/1/15, effective 5/6/15; ARC 4014C, IAB 9/26/18, effective 10/31/18]

<sup>1</sup> See forms at end of this chapter.