481—103.8(99B) Expenses.

103.8(1) The licensee shall be able to prove expenses were incurred exclusively and directly as a result of bingo and not exceed 40 percent of net receipts. Reasonable expenses within the 40 percent limit are:

a. The license fee;

b. Withholding, unemployment, or social security taxes;

c. Promotion cost;

d. Equipment and supply purchases;

e. Rent for bingo occasion;

f. Utilities for bingo occasion; and

g. Wages paid for bingo workers.

103.8(2) Expense items are allowed only when receipts or a paid invoice and canceled check are available for review by the department.

103.8(3) When the annual gross exceeds $10,000, expenses shall be paid from a bingo checking account.

103.8(4) Expenses are not reasonable if the amount charged substantially exceeds the current rate or average retail cost of items or services purchased.

[**ARC 9152C**, IAB 4/30/25, effective 6/4/25]