

481—103.8(99B) Expenses. Expenses incurred exclusively and directly as a result of bingo shall not exceed 25 percent of net receipts. Reasonable expenses within the 25 percent limit are:

1. The license fee;
2. Withholding, unemployment or social security taxes;
3. Promotion cost;
4. Equipment and supply purchases;
5. Rent for bingo occasion;
6. Utilities for bingo occasion; and
7. Wages paid for bingo workers.

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

103.8(1) When the annual gross exceeds \$10,000, expenses shall be paid from a bingo checking account. The licensee shall prove that all expenses were incurred exclusively and directly as a result of bingo.

103.8(2) Expenses are not reasonable if the amount charged substantially exceeds the current rate or average retail cost of items or services purchased.

This rule is intended to implement Iowa Code section 99B.7.