

Mechanical Amusement Device Distributors and Operators

This guidance document is advisory in nature but is binding on the Nebraska Department of Revenue (Department) until amended. A guidance document does not include internal procedural documents that only affect the internal operations of the Department and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

This guidance document may change with updated information or added examples. The Department recommends you do not print this document. Instead, sign up for the subscription service at revenue.nebraska.gov/gaming to get updates on your topics of interest.

Enclosed is a [Nebraska Tax Application and Return for Mechanical Amusement Device Decals, Form 54](#). This completed application must be returned to the Department with the applicable fees as soon as possible to receive your 2019 occupation tax decals prior to December 31. Every device in operation as of January 1, 2019 without a 2019 decal must be removed from operation until a new decal is obtained and affixed to the device.

A mechanical amusement device is any machine which, upon insertion of a coin, currency, credit card, or substitute into the machine, operates or may be operated or used for a game, contest, or amusement of any description. Mechanical amusement devices do not include vending machines which dispense tangible personal property, devices located in private homes for private use, pickle card dispensing devices which are required to be registered with the Department pursuant to [Neb. Rev. Stat. § 9-345.03](#), or devices which are mechanically constructed in a manner that would render their operation illegal under the laws of the State of Nebraska. The presence of a MAD decal on any device only indicates that the device is in compliance with the applicable provisions of the Mechanical Amusement Device Tax Act, [Neb. Rev. Stat. § 77-3001 to 77-3011](#). **A MAD decal is not evidence that the device is legal under Chapter 28, article 11 of the Nebraska Revised Statutes (regarding gambling).**

An operator who places a mechanical amusement device into operation in 2019 without affixing the current occupation tax decals is in violation of the [Nebraska Mechanical Amusement Device Tax Act](#). Each device is subject to being sealed by the Department and a penalty of \$75 may be assessed against the operator for each device that is in violation. A decal must be properly affixed and conspicuously displayed on each device. The backing on each decal must be removed to permanently affix the decal to the device. Decals that are taped or placed over prior years' decals are not properly or permanently affixed.

Beginning in calendar year 2018, applicants must separately account for any device that awards or is capable of awarding a cash prize. The number of such devices must be indicated on Form 54.

Mechanical Amusement Devices With Multiple Playing Stations

The following is the Department's position regarding the requirements for affixing multiple decals to devices with multiple playing stations (see [Revenue Ruling 54-08-1](#) on the Department's website). A decal is required for each playing station even when the playing stations are part of the same machine. The following examples should assist you in determining the proper number of decals for devices with multiple playing stations.

1. If a device has two playing stations (guns, steering wheels, or dance pads) and can be played by more than one player simultaneously, it requires two decals.
2. If a device has three playing stations and can be played by one, two, or three players simultaneously, it requires three decals.
3. If a device has one screen and one player station, where multiple players can play, but each player takes a turn independent of the other players, it requires one decal. These devices include those known as "Golden T Golf" and pool tables.
4. Devices such as table tennis, air hockey, shuffle board, or foosball require only one decal.
5. Merchandise dispensers that incorporate a game of skill to increase your prize require a decal.
6. Merchandise games that dispense a product and have no player interactions other than activating the game with a coin, currency, or token do not require a decal.

During the license year additional mechanical amusement device decals can be obtained from any of the Department's Taxpayer Assistance offices listed below or the Charitable Gaming Division.

If you have any questions regarding the completion of the Form 54, or need another application, please contact the Charitable Gaming Division at 402-471-5949 or 877-564-1315. Form 54 is also at revenue.nebraska.gov (click on "Charitable Gaming," and "Other Gaming").

Lincoln

Charitable Gaming Division
137 NW 17th Street
Lincoln, NE 68528
402-471-5949

Norfolk*

304 North 5th Street, Suite "D"
Norfolk, NE 68701-4091
402-370-3333

Omaha

Nebraska State Office Building
1313 Farnam Street
Omaha, NE 68102-1871
402-595-2065

North Platte*

Craft State Office Building
200 South Silber Street
North Platte, NE 69101-4200
308-535-8250

Scottsbluff*

505A Broadway Street, Suite 800
Scottsbluff, NE 69361-3515
308-632-1200

***Taxpayer Assistance Offices in Norfolk, North Platte, and Scottsbluff are only open for walk-in assistance from 8:00 a.m. until noon, Monday through Friday.**

Mail the application and appropriate fees to the

Nebraska Department of Revenue
Charitable Gaming Division
PO Box 94855
Lincoln, NE 68509-4855