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Texas Comptroller of Public Accounts

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## ***Coin-Operated Machines Tax*** **Frequently Asked Questions**

### **What is a General Business License?**

A General Business License is a license issued by the Comptroller that allows the license holder to engage in the business of manufacturing, owning, buying, selling, renting, leasing, trading, repairing, maintaining, servicing, transporting, exhibiting, or storing coin-operated amusement machines in Texas. The annual fee for a license is \$200, \$400, or \$500, depending on the number of machines you own.

### **Who is exempt from licensing, registration, or the occupation tax?**

Organizations operating exclusively for charitable, educational, religious, or benevolent purposes are exempt from licensing, registration, and the occupation tax. Machines designed exclusively for children under 12 years of age are also exempt. An organization with social or fraternal activities does not qualify for exemption. An individual owning and operating a coin-operated amusement machine in his/her private residence exclusively for his/her personal use is exempt from licensing, registration, and the occupation tax.

### **What is a Registration Certificate?**

A registration certificate is a certificate that can be obtained by a person who owns and operates amusement machines only in his or her own place of business; owns no machine subject to the occupation tax imposed by this chapter located on the business premises of another person; and has no financial interest, direct or indirect, in the coin-operated music, skill, or pleasure machines industry, except for the interest he owns in his machines. The annual fee is \$150.

### **What is the occupation tax?**

The occupation tax is an annual tax of \$60 that is levied on each coin-operated amusement machine that is exhibited or displayed in Texas. Payment of the tax is evidenced by an occupation tax permit (decals) that is affixed to each machine. The tax may be prorated quarterly for machines placed in service during the year.

### **What is the due date for renewal of the General Business License, Registration Certificate, and the occupation tax permit?**

All renewals are due November 30 of each year.

### **Where can I get occupation tax permits (decals) for new machines?**

Occupation tax permits for additional machines displayed or exhibited during the year are available at any Comptroller's Field office or you can request the permits by mail from the Comptroller's office in Austin. An application for additional permits and payment of the tax due must accompany the request.

### **What is the requirement regarding the distribution of gross receipts from amusement machines?**

No licensee shall enter into a contract or offer to contract with a bailee or lessee (location operator) of an amusement machine to compensate the bailee or lessee in excess of 50 percent of the gross receipts

from an amusement machine.

**What is the age requirement for issuance of a license?**

No license shall be issued to an applicant under the age of 18 years.

For additional information, see Comptroller Rule 3.602 and the Comptroller's publication, *Coin-Operated Amusement Machine Regulation and Taxation (96-256)* or call one of our Tax Specialists at (800) 252-1385.

In 2015, the Texas Legislature passed House Bill 855, which requires state agencies to publish a list of the three most commonly used Web browsers on their websites. The Texas Comptroller's most commonly used Web browsers are Microsoft Internet Explorer, Google Chrome and Apple Safari.

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