

**RULES
OF
DEPARTMENT OF REVENUE
MISCELLANEOUS TAX DIVISION**

**CHAPTER 1320-4-10
COIN-OPERATED AMUSEMENT DEVICE TAX RULES**

TABLE OF CONTENTS

1320-4-10-.01	Definitions	1320-4-10-.03	Stamps
1320-4-10-.02	Registration and Records	1320-4-10-.04	Confiscation of Contraband

1320-4-10-.01 DEFINITIONS.

- (1) Unless otherwise provided, definition of terms used in these rules shall be as set out at T.C.A. §67-1-504(a).
- (2) The term "coin-operated amusement device" does not include a device such as a blood pressure machine used for health, not amusement, purposes.
- (3) A device is "intended for use" if it is in a location open to the public. A device is not "intended for use" if it is in storage, or if the power cord of the device is removed and put inside the device with the coin slot covered.
- (4) A device is not "coin-operated" if the coin-mechanism is removed or covered to obstruct the entrance of coins or tokens in such manner as to be apparent to the public that the machine is not a coin-operated device.
- (5) Nothing in these rules shall be construed to legalize gambling devices, notwithstanding the payment of the tax provided for in T.C.A. §67-4-504.

Authority: T.C.A. §§67-4-203 and 67-1-102. **Administrative History:** Original rule filed December 16, 1983; effective January 15, 1984.

1320-4-10-.02 REGISTRATION AND RECORDS.

- (1) Every owner of a coin-operated amusement device which is in use or is intended for use shall register with the Department of Revenue, obtain a taxpayer identification number, and pay the tax specified in T.C.A. §67-4-507 for each device for the privilege of operating, leasing, subleasing or consigning such device in this state.
- (2) The tax shall be administered and collected on an annual basis for the year beginning on July 1 and ending on June 30. The tax shall be paid and a return filed on forms provided by the Department of Revenue on or before July 20 of each year, or any part thereof, in which the privilege is exercised. The tax shall not be prorated, except as provided by T.C.A. §67-4-507.
- (3) The following records shall be maintained by the owner, shall be available for audit and inspection by the Department of Revenue during regular business hours, and shall be retained for a period of four years:
 - (a) dates of acquisition and disposition of devices;
 - (b) names and addresses of persons to whom devices are leased, subleased or consigned; and

(Rule 1320-4-10-.02, continued)

- (c) a running inventory of the locations and movements of each device.

Authority: T.C.A. §§67-4-203, 67-4-507, and 67-1-102. **Administrative History:** Original rule filed December 16, 1983; effective January 15, 1984. Amendment filed November 22, 1989; effective January 6, 1990.

1320-4-10-.03 STAMPS.

- (1) A stamp shall be issued by the Department of Revenue to evidence payment of the tax specified by T.C.A. §67-4-504, for each device. An identifiable whole stamp must be affixed to each device in such a manner as to be clearly visible for inspection.
- (2) A stamp shall not be transferred from one owner to another. If a device is sold, the owner must remove the stamp from the device.
- (3) In the event any stamp is mutilated or damaged, the owner of the stamp may apply to the privilege tax section of the Department of Revenue for replacement. Application for the replacement stamp shall be made under oath on a form to be provided by the department and must be accompanied by the mutilated or damaged stamp and a fee of three dollars (\$3.00). If the department determines that the person applying for the replacement stamp is the owner of the stamp, and if a sufficiently large portion of the mutilated or damaged stamp is surrendered to allow the department to identify the stamp number, a replacement stamp shall be issued. If a stamp is stolen, lost, or so damaged as to be unidentifiable, a replacement stamp will not be issued and a new stamp must be purchased.

Authority: T.C.A. §§67-4-203 and 67-1-102. **Administrative History:** Original rule filed December 16, 1983; effective January 15, 1984. Amendment filed November 22, 1989; effective January 6, 1990.

1320-4-10-.04 CONFISCATION OF CONTRABAND.

- (1) In all cases of seizure of any device subject to confiscation under the provisions of T.C.A. §67-4-504, written notice shall be given by the Department of Revenue to the person from whom the confiscation was made, and to all others with a legal interest in the property confiscated who are either made known to the Department of Revenue or who, by a reasonable examination of public records of titles and liens, should have been discovered. If the owner is unknown or cannot reasonably be ascertained, leaving the written notice at the location of the seizure constitutes good and reasonable notice of the confiscation. The notice shall state: a description of the property confiscated, the reason for confiscation, the method for seeking recovery, the time limit for seeking recovery, and the result of failure to seek or obtain recovery by the designated method.
- (2) All devices seized and forfeited shall be sold by the Department of General Services pursuant to T.C.A. §§12-2-201 through 12-2-209.
- (3) Any money or coins found or recovered in any device which has been seized and forfeited to the State of Tennessee under the provisions of T.C.A. §67-5-504, are likewise forfeited to the State of Tennessee and shall be paid into the state treasury.
- (4) Any person claiming an interest in a confiscated device may, within ten (10) days from the date of seizure, file with the Commissioner of the Department of Revenue a claim in writing, requesting a hearing pursuant to T.C.A. §67-1-105 and stating his interest in the articles seized. At any such hearing, the initial burden shall be on the department to show by a preponderance of the evidence that the property in question was of such nature or was used in such manner as to be declared as contraband. Upon meeting that burden the property shall be forfeited unless the claimant shall provide that he is nevertheless qualified to recover the property in question.

(Rule 1320-4-10-.04, continued)

- (5) The action of the Commissioner of Revenue may be reviewed pursuant to the Uniform Administrative Procedures Act, T.C.A. §5-4-301 et seq.

Authority: T.C.A. §§67-4-203 and 67-1-102. **Administrative History:** Original rule filed December 16, 1983; effective January 15, 1984. Amendment filed November 22, 1989; effective January 6, 1990.