

News Release

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(Donations Table Attached)

Backus American Legion Post #368

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BACKUS LEGION CHARITABLE GAMBLING CONTRIBUTIONS TO CHARITIES AND GOVERNMENT TOTAL \$60,449 IN 2015, AN INCREASE OF 24%.

BACKUS, MN.—Citing an improved economy, expanded travel to the lakes area due to lower gas prices and increased public support, the Backus American Legion Charitable Gaming Partnership increased its contributions to charity and taxes paid to government by \$11,655 or 24 percent in 2015.

Donations to civic and area causes, including education, service organizations and public safety, totaled \$30,175, an increase of 32 percent over 2014's total of \$22,737. Taxes paid to the state and federal governments increase by \$4,217 or 16 percent to a total of \$30,274. The state of Minnesota continued to be the largest single recipient of the Legion's charitable gaming profits, collecting \$27,052 in taxes and fees, an increase of \$3,690.

The same is true statewide, according to Allied Charities of Minnesota (ACM), the charitable gaming industry's umbrella organization. The state in the 2015 fiscal year reaped \$49.3 million in taxes from charitable gambling, a 14 percent increase. Allied Charities, which is seeking tax relief from the Legislature this year, claims it is the highest taxed industry in the state, with individual gaming sponsors paying 9 to 36 percent in taxes on gross revenues remaining after prizes – depending on the size of their receipts - with no deductions for donations or expenses.

Education, youth recreation, local food shelves, communities and organizations were the chief benefactors of the Legion partnership's charitable donations. The program includes the Legion clubrooms at Hwys. 371 and 87 and the post sponsored site at Willard's Saloon & Eatery in downtown Backus.

In reviewing what the post termed a successful year, the Legion also unveiled an ambitious 2016 budget increase of 57 percent, featuring, among other funding proposals, a doubling of senior scholarship funds for the Pine River-Backus school district from \$5,000 to \$10,000 and \$2,200 more to address camping equipment needs of two area scouting organizations. The budget proposals developed by the post's leadership were approved by the membership at its January meeting.

"We are extremely pleased with the public support of our program," said post Commander Eugene Gagnon. "It means we are able to increase our commitment to help support the needs of our area residents and communities."

Highlights in 2015 included \$5,000 for 10 \$500 scholarships for school district seniors, an increase of \$100 per award, and an increase of \$500 to \$1,000 for the Central Lakes Rotary STRIVE program which helps underperforming students remain in school, graduate and prepare for post-secondary education. The post also contributed \$500 to the school district's safe graduation party and \$700 to a program to defray expenses for Cass Country youth exhibiting at the State Fair.

Area food shelves based in Pine River and Hackensack received an increase of \$1,500 to \$6,000. The post continued to be a major contributor to the Backus Corn Fest celebration with a \$2,000 donation and doubled its contribution to Backus Fire and Emergency Medical units from \$2,000 to \$4,000. The units serve the city and several area townships.

Statewide in 2015, Allied Charities, which represents the industry and advocates for its members at the Legislature, reported some pluses and minuses for the 2015 fiscal year.

Charitable donations totaled \$45 million, up from \$43 million the previous year. The industry paid \$53 million in state and federal taxes and the \$49.3 million paid in state taxes was a 14 percent increase over \$43.3 million the previous year – a tax bill ACM Director Al Lund and legislative representative Ray Bohn describe as an awesome burden in their fiscal year analysis on the organization's web site.

Lund would like the industry's tax bill capped at \$35 million and would be willing to dedicate that annually to paying off the state's share of the cost of building the new Vikings stadium until it is paid in total. A proposal enacted by the Legislature to have sale of electronic sale of pull tabs by the industry pay for state stadium costs fizzled because electronic tabs were not popular.

The industry took in \$1.351 billion in charitable gaming in Fiscal Year 2015 with \$230 million in gross net receipts remaining after paying out 83 percent of revenues in prizes. The industry must pay expenses, including salaries, supplies and taxes out of those gross net receipts, with no deductions for the taxes or expenses.

That results in an average of 4 to 5 cents being left for charitable donations of every dollar wagered.

While bingo, paddle wheels, raffles and tip boards produce a portion of the annual gross, the bulk in Fiscal Year 2015, for example, 92 percent, came from pull tabs, the socially popular and revenue producing game that Minnesotans continue to support.

(Sources: Researched and written by Gary Dawson from Backus American Legion Annual Gaming Reports and 2016 Budget, Allied Charities of Minnesota Web Site, including figures provided by the State Gambling Control Board, which regulates the industry)

**Backus American Legion Charitable Gaming Partnership*(1)
2015 Charitable Gaming Donations & Taxes**

Various Pine River-Backus family, children’s, community education and Extra-curricular activities.....	\$1,500
Central Lakes Rotary STRIVE Individual Student Education Improvement Project.....	1,000
\$500 Pine River-Backus Senior Scholarships.....	5,000
Safe PRB School District Graduation Party.....	500
Youth Recreation.....	2,386
Boys State.....	370
Aid to distressed families, disabled, ill and child safety.....	3,125
Pine River & Hackensack Food Shelves.....	6,000
Programs for VA Hospitals, Veterans Assistance, Memorials, Community Flags.....	2,044
Backus Fire & Emergency Medical Units.....	4,000
Backus Corn Fest.....	2,000
Let’s Go Fishing Program.....	500
Children’s Holiday Parties.....	750
Scholarship Program for Youth Exhibiting at the State Fair.....	700
Scouting.....	300
TOTAL CHARITABLE DONATIONS:.....	30,175*(2)
State Taxes & Fees.....	27,052
Federal Taxes.....	3,222
TOTAL STATE & FEDERAL TAXES:.....	30,274
TOTAL DONATIONS AND TAXES:.....	60,449
TOTAL DONATIONS SINCE 1991.....	764,166
TOTAL STATE AND FEDERAL TAXES SINCE 1991.....	688,932

***(1) Partnership Includes the Backus Legion and the Post Sponsored Gaming Site at
Willard’s Saloon & Eatery**

***(2) Does not include \$1,047 the State Gambling Control Board Allowed the Post for Maintenance
Expenses for Making its Facility Available Free to the Public**