

Part or section number of title 25 CFR	Currently assigned OMB control numbers	Expiration date
§ 577.14 (objections) .....	3141-0001	7/31/95

**PARTS 504—513—[RESERVED]**

**PART 514—FEES**

AUTHORITY: 25 U.S.C. 2706, 2708, 2710, 2717, 2717a.

**§ 514.1 Annual fees.**

(a) Each class II gaming operation under the jurisdiction of the Commission shall pay to the Commission annual fees as established by the Commission. The Commission, by a vote of not less than two of its members, shall adopt the rates of fees to be paid.

(1) The Commission shall adopt preliminary rates for each calendar year during the first quarter of that year (or as soon thereafter as possible), and, if considered necessary, shall modify those rates during the second and third quarters of the calendar year.

(2) The Commission shall adopt final rates of fees for each calendar year during the fourth quarter of that year.

(3) The Commission shall publish the rates of fees in a notice in the FEDERAL REGISTER.

(4) The rates of fees imposed shall be—

(i) No less than 0.5 percent nor more than 2.5 percent of the first \$1,500,000 (1st tier), and

(ii) No more than 5 percent of amounts in excess of the first \$1,500,000 (2nd tier) of the assessable gross revenues from each class II gaming operation regulated by the Commission.

(5) If a tribe has a certificate of self-regulation, the rate of fees imposed shall be no more than .25 percent of assessable gross revenues from self-regulated class II gaming operations.

(b) For purposes of computing fees, assessable gross revenues for each gaming operation are the annual total amount of money wagered in class II gaming, admission fees (including table or card fees), less any amounts paid out as prizes or paid for prizes awarded,

and less an allowance for amortization of capital expenditures for structures.

(1) Unless otherwise provided by the regulations, generally accepted accounting principles shall be used.

(2) The allowance for amortization of capital expenditures for structures shall not exceed 5% of the cost of structures in use throughout the year and 2½% of the cost of structures in use during only a part of the year.

(3) *Example:*

Gross gaming revenues:		
Money wagered .....		\$1,000,000
Admission fees .....	5,000	
		1,005,000
Less:		
Prizes paid in cash .....	\$500,000	
Cost of other prizes awarded .....	10,000	510,000
		495,000
Gross gaming profit .....		495,000
Less allowance for amortization of capital expenditures for structures:		
Capital expenditures for structures made in—		
Prior years .....	750,000	
Current year .....	50,000	
		800,000
Maximum allowance:		
\$750,000×.05 = .....	37,500	
50,000×.025 = .....	1,250	38,750
		456,250
Assessable gross revenues .....		\$456,250

(4) All revenues from gaming operations determined by the licensing tribe to be class II are to be included.

(c) Each Class II gaming operation regulated by the Commission shall file with the Commission quarterly a statement showing its assessable gross revenues for the previous calendar year.