



# PHEASANTS FOREVER/QUAIL FOREVER CHAPTER RAFFLE REPORTING GUIDE

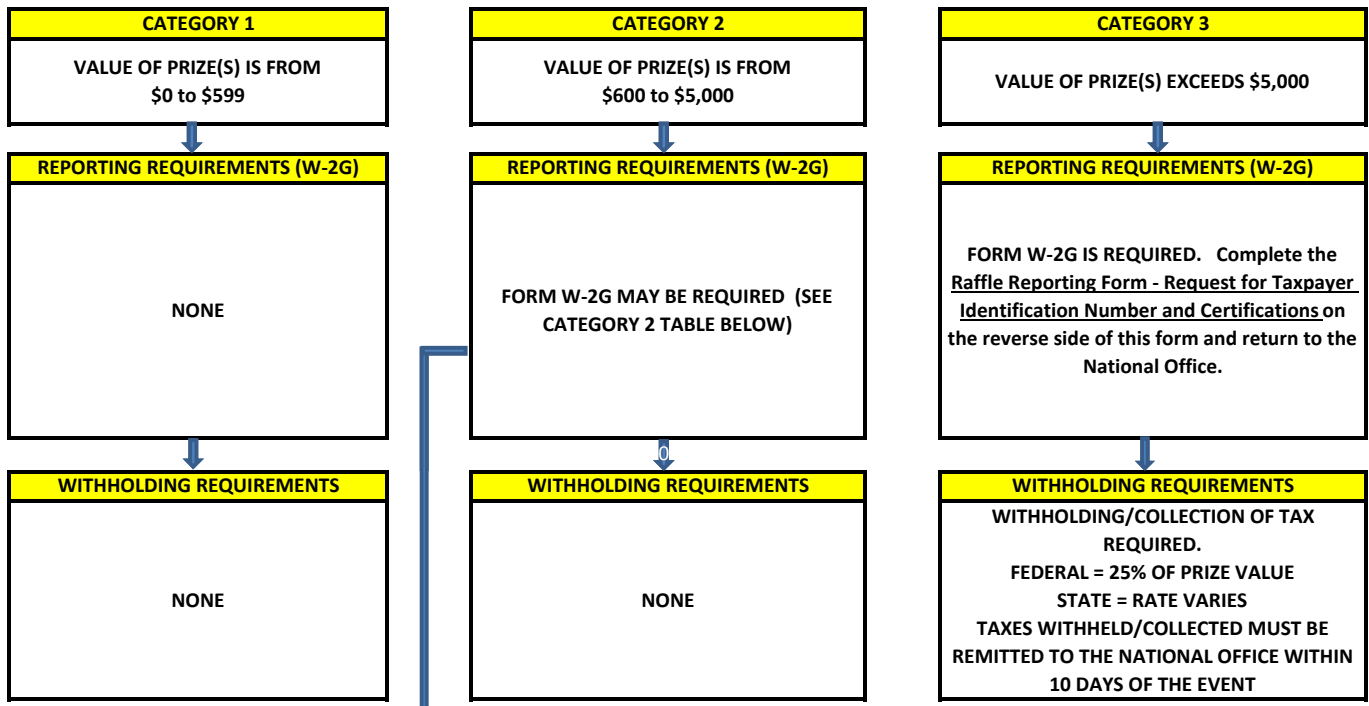


This sheet covers the regulations of the Internal Revenue Service (IRS) and states that impose reporting requirements related to individual that win raffle prizes awarded at chapter events. Specifically, it covers when Pheasants Forever/Quail Forever is required to prepare and file IRS Form W-2G to report gambling winnings. In addition, there may be requirements to withhold or collect federal and/or state income tax (gambling tax) from the winner of a raffle and remit that tax to the appropriate taxing authority

In reviewing the reporting requirements for gambling winnings associated with a chapter raffle, there are three (3) categories into which the raffles must be placed.

- CATEGORY 1      The Value of the prize(s) won by a single individual on a single raffle is from \$0 to \$599
- CATEGORY 2      The Value of the prize(s) won by a single individual on a single raffle is from \$600 to \$5,000
- CATEGORY 3      The Value of the prize(s) won by a single individual on a single raffle exceeds \$5,000

Use the following Raffle Reporting Matrix to determine the raffle reporting requirements



**CATEGORY 2: USE THE FOLLOWING REPORTING TABLE ONLY IF THE VALUE OF THE PRIZE(S) IS BETWEEN \$600 AND \$5,000**

What is the lowest raffle ticket price to enter the raffle? Use the most discounted price of a ticket to enter the raffle. (e.g., if 1 for \$5, 3 for \$10, use \$3.33 (\$10÷3). \_\_\_\_\_ (A)

Multiply Line (A) times 300 and Enter the Result on Line (B) \_\_\_\_\_ (B)

If the value of the prize(s) won on this raffle is less than LINE (B), then NO reporting Requirement exists.

If the value of the prize(s) won on this raffle is equal or greater than LINE (B), then Form W-2G IS REQUIRED.

Have the winner complete the Section 1 of Raffle Reporting Form - Request for Taxpayer Identification Number and Certifications on the reverse side of this form. Chapters must complete Section 2 and return the form to the PF National Office, Attn Accounting Dept. within 10 days of the event.

**IMPORTANT COMPLIANCE NOTE:**

It is extremely important that chapters comply with these requirements. Failure to timely and accurately report the required raffle information and/or collect the taxes as directed on this form will subject the chapter to significant taxes and penalties. **Since PF is now required to file returns electronically, the reporting information must be handled at the National level to comply with the IRS requirements**

**IMPORTANT PLANNING NOTE:**

In order to simplify your compliance work, use the rules described above to structure your raffles to avoid the W-2G reporting requirement: Some very simple planning can greatly reduce your work. Many chapter raffles will fall within Category 2 (prizes valued from \$600 to \$5,000). Structure your raffles to ensure that prize values stay below the 300 times the raffle ticket price. For example, a \$5 raffle ticket could have a total prize value (awarded to one individual) of up to \$1,499 without requiring a W-2G. Similarly, a \$10 raffle ticket could have prizes up to \$2,999 and not require a W-2G.

If you have questions regarding any of these requirements, please contact the Accounting Department at the National Office