

Casinos ordered to pay sales tax on comped meals

By Cy Ryan, Las Vegas Sun

CARSON CITY – In a decision with far-reaching impact on the state budget and casino balance sheets, the Nevada Tax Commission ruled that casinos must pay sales tax on comped meals given to players and their employees.

The commission, in this single case, rejected an appeal by Boyd Gaming Corp. and its 12 casinos in Clark County, which were seeking a refund of the taxes they have paid.

The 6-1 decision will mean hundreds of millions of dollars in refunds being sought by casinos statewide will stay with the state. Every casino in the state has a similar appeal before the tax commission. Next up is Caesars Entertainment.

The commission decided that sales tax would be based on the retail price of the meal.

John Bartlett, attorney for Boyd, argued that complimentary meals were not taxable because no money changes hands. There is no sale and therefore there can't be a tax.

Read the whole story