

## Memorandum

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To: County Assessors

From: Gregory B. Cade, Bureau Chief  
Property Appraisal Bureau

Date: April 28, 2010; amended Alan Dornfest, May 14, 2020

RE: Prohibition of Taxes upon Lottery Equipment

The Tax Commission was recently made aware of an exemption upon the taxation of equipment and devices used in the sale and consumption of lottery games sponsored by the Idaho Lottery Commission. The provision for this exemption is found in the relevant statutes governing the Idaho Lottery Commission, more specifically, Section 67-7439, Idaho Code. The statutory exemption reads in part;

“No taxes of any kind whatsoever shall be imposed upon the sale, purchase, storage, use or other consumption of Idaho lottery tickets or shares, or upon equipment, devices or systems directly used in the production, operation, sales, distribution, tracking, drawing, accounting, communication of or computation of lottery games”.

This section of law clearly defines an exemption from property taxes, as well other related tax types in Idaho, upon tangible personal property. Confirmation of this exemption has been underscored by the Deputy Attorney General assigned to the County Support Division of the Tax Commission. Additionally, this statutory exemption does not require application for approval by the Board of Equalization. The intent of this provision is to explicitly exempt equipment and devices “used” in conjunction with the sale and consumption of lottery games, regardless of ownership. Equipment leased by the Idaho Lottery Commission, while not owned by the Lottery Commission, is exempt. The principle vendor of gaming equipment on behalf of the Lottery Commission is Intralot Corporation. In the future, please void any existing or new assessments upon equipment, devices or systems affiliated with state lottery games offered in Idaho.

If questions arise concerning the interpretation of Section 67-7439, Idaho Code, please consult with your Prosecuting Attorney for advice. If you have questions or concerns relating to this memorandum, you may contact me at 208-334-7731.

Amendment: Please note that this exemption is in addition to the exemption provided in Section 63-602KK, Idaho Code, since 2013. (AD addition, May 14, 2020)