



THE ATTORNEY GENERAL OF TEXAS

GERALD C. MANN
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ATTORNEY GENERAL

AUSTIN 11, TEXAS

Honorable Geo. H. Sheppard
Comptroller of Public Accounts
Austin, Texas

Dear Sir:

Opinion No. 0-849
Re: Whether under facts given the
El Paso Newspaper Guild is
liable for 20% tax as provided
by Article 7047f, R.C.S.

We are in receipt of your letter of June 15, 1939, in connection with which you submit to us the following facts:

"The El Paso Newspaper Guild is the local of the American Newspaper Guild. It's members are composed of editorial department workers on El Paso's daily newspapers, a labor union organized in an effort to better working conditions and standards of local editorial department employes, reporters, copy readers, etc.

"The Guild on May 6 held a drawing on which it sold tickets at one dollar each. Purpose of the drawing was to raise funds to send our local delegate to the American Newspaper Guild convention. The Guild deducted 20 per cent of total proceeds for its treasury and distributed the balance in prizes. The drawing was held in the usual manner, 10 stubs being drawn from all those sold, and the holders of these tickets receiving the prizes."

You request our opinion as to whether or not under the above circumstances the awards or prizes given in connection with the drawing mentioned are taxable under Article 7047f, Revised Civil Statutes.

Article 7047f, Section (a) and the first sentence in Section (b) read as follows:

"(a) Every person, firm, or corporation conducting a theatre, place of amusement, or any business enterprise in connection with the operation of which a prize in the form of money or something of value is offered or given to one or more patrons of such theatre, place of amusement, or business enterprise, and not given to

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Yours very truly

ATTORNEY GENERAL OF TEXAS

By s/Glenn R. Lewis
Glenn R. Lewis
Assistant

GRL:N:wc

APPROVED JUN 24, 1939
s/Gerald C. Mann
ATTORNEY GENERAL OF TEXAS

Approved Opinion Committee By s/BW Chairman