



**Part II** Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ [See Attachment 1](#)

Blank lines for listing applicable Internal Revenue Code sections and subsections.

18 Can any resulting loss be recognized? ▶ [See Attachment 1](#)

Blank lines for providing information regarding loss recognition.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ [See Attachment 1](#)

Blank lines for providing other necessary information for the adjustment.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶

Date ▶

3/3/2023

Print your name ▶ Stephen L. Cootey

Title ▶ EVP, CFO and Treasurer

**Paid Preparer Use Only**

Print/Type preparer's name

Preparer's signature

Date

Check  if self-employed

PTIN

Firm's name ▶

Firm's EIN ▶

Firm's address ▶

Phone no.

**RED ROCK RESORTS, INC.**

**FORM 8937**

**ATTACHMENT 1**

**WITH RESPECT TO EQUITY REPURCHASE OF CLASS A  
COMMON STOCK MADE DURING THE THREE MONTHS ENDED  
MARCH 31, 2022**

**Part II, Box 14**

During the three months ended March 31, 2022, Red Rock Resorts, Inc. (“RRR” or the “Company”) repurchased 184,793 shares of its Class A common stock for an aggregate price of \$8.8 million and a weighted average price per share of \$47.77 in open market transactions under an equity repurchase program established and approved by RRR’s board of directors in 2019, and extended through December 31, 2022. At March 31, 2022, the remaining amount authorized for repurchases under the program was \$145.6 million. The Class A shares were retired upon repurchase.

**Part II, Box 15**

Pursuant to Internal Revenue Code (IRC) Section 317(b), stock shall be treated as redeemed by a corporation if the corporation acquires its stock from a shareholder in exchange for property, whether or not the stock so acquired is cancelled, retired, or held as treasury stock. Accordingly, the repurchase of RRR shares by the Company in exchange for cash shall be treated as a redemption transaction for U.S. federal income tax purposes.

Pursuant to IRC Section 302, a redemption of stock is treated as either a sale or exchange of the redeemed stock or as a Section 301 distribution of property with respect to the redeemed stock, depending upon the facts and circumstances of the shareholder. Analysis required under IRC Section 302 is applied on a shareholder-by-shareholder basis and certain attribution rules must be considered in applying these rules. Accordingly, different shareholders may have different tax consequences as a result of the repurchases. Each shareholder should consult a tax advisor with respect to the specific application of IRC Section 302.

**Part II, Box 16**

If a shareholder qualifies for sale/exchange treatment under IRC Section 302(b) with respect to the repurchases, the shareholder will recognize gain or loss for U.S. federal income tax purposes equal to the difference between the amount of cash received for the redeemed shares and the shareholder’s tax basis in such shares. Tax basis in retained shares will be unaffected by the redemption.

Pursuant to IRC Section 302(d), a redemption transaction that does not qualify for sale/exchange treatment under IRC Section 302(b) is treated as a distribution of property to which IRC Section 301 applies. Any such distribution would constitute a taxable dividend to the shareholder to the extent of the Company’s current and accumulated earnings and profits (“E&P”), with no effect on the shareholder’s tax basis in the shares to the extent treated as a dividend.

Any distribution in excess of current and accumulated E&P is first applied against and reduces shareholder basis to the extent thereof, and second treated as gain from a sale or exchange of shares. Company’s E&P for 2022 is not expected to exceed the total distributions paid during 2022 and

therefore, to the extent Sections 302(d) and 301 apply to a repurchasing shareholder, a portion may be considered dividend income under Section 301(c)(1) and a portion may be considered a nondividend distribution.

### **Part II, Box 17**

Tax consequences are determined under IRC Section 301, IRC Section 302, IRC Section 312, and IRC Section 317.

### **Part II, Box 18**

Shareholders who qualify for sale/exchange treatment could potentially recognize loss if the tax basis in the repurchased shares is greater than the amount of cash received. The character and classification of any such loss is dependent upon a shareholder's particular circumstances and may be subject to limitation.

### **Part II, Box 19**

Adjustments to the tax basis of stock (and of any taxable gain) resulting from the repurchases are reportable in the tax period in which the redemption occurred. For calendar year taxpayers, the reportable tax year is 2022.

*Individual tax consequences may vary. Shareholders are urged to consult their own tax advisors. The information contained herein does not constitute tax advice. It is not intended or written to be used, and cannot be used, for the purpose of avoiding tax penalties.*