Regulating and Taxing Online Social Plus Games in Minnesota: A Winning Approach

Social Gaming Leadership Alliance

Online social games with sweepstakes promotions, or Social Plus games, are a mainstream digital entertainment category that has provided casual online entertainment to millions of American adults since 2012, including approximately 220,000 adults in Minnesota.

Social Gaming Leadership Alliance operator platforms offer fun, safe social gaming platforms for players age 21 and up, who can always participate without payment. With smart regulation and taxation, these games could generate more than **$20 million** in **revenue** for **Minnesota** annually. Recent polling shows that voters overwhelmingly support regulating – not banning – these games.

Public Opinion: Voters Support Regulation Over Bans

- **84% of U.S. voters agree** the government should modernize laws to regulate and tax online Social Plus games
- **Only 8% believe the games should be banned,** and only 4% consider this a priority issue

Smart Regulation To Unlock Upwards of $20 Million in Annual Revenue

With modern regulation, Minnesota could gain:

$18M+	$2-4M
from player purchases tax	from operator registration fees

Additionally, Social Plus operators spend nearly $1.8 billion nationwide on key services including marketing, technology and payment processing, directly benefitting Minnesota companies like SharpLink Gaming, U.S. Bancorp, Flexential, and Lightedge.

A Modern Framework for Safe, Responsible Games

A sensible regulatory framework would make it easier to audit operators and enforce compliance with consumer protection laws to ensure:

- Robust age verification processes to prevent access by minors
- Best-in-class data, financial, and fraud protections
- Built-in tools for responsible social gameplay

The Choice is Clear – Regulate, Don't Ban

Minnesota has an opportunity to regulate online Social Plus games to safeguard consumers, protect Minnesota's businesses and generate upwards of $20 million in new revenue each year.

Sources
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