

Proposed Modernization of Lawful Gambling with Tax Simplification, and Tax Relief

Raises \$62.5 million in Estimated Additional Profits for Charities

Raises \$62.5 million in Additional Tax Revenue¹

- Repeals upfront 1.7% Distributors Tax.
- Reduces all gambling tax rates by roughly 14%.
- Maintains net receipts tax (at a lower rate) for paper bingo.

	Current Rates	Proposed Rates
E-Bingo & All Pulltabs²	(includes 1.7% distributor Tax)	(Distributor tax eliminated)
Total tax rate	1.7%/3.4%/5.1%/6.8%	1.465%/2.930%/4.395%/5.860%
Paper Bingo³	8.5%	7.325%

- Establishes allowable rent of 15% of total receipts after prizes.
- Increases estimated gross receipts from \$1 billion to \$2.3 billion.
- More than doubles estimated profits available for charitable uses, which rise by **\$62.5 million**.⁴

¹ Revenue will rise by less in the first fiscal year (FY 2013), depending on date of enactment and how quickly electronic games can be introduced.

² Also tipboards.

³ Also raffles and paddlewheels.

⁴ Current profits for charitable uses are \$44 million. Increase is based on assumptions about increased costs for rents, machines, and labor provided by the Gambling Control Board.