
FISCAL UPDATE Article

Fiscal Services Division
October 19, 2022



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

515.281.3566

IOWA RACING AND GAMING REVENUE REPORTS

The Iowa Racing and Gaming Commission publishes monthly reports on [gaming revenue](#) and [sports wagering](#) across Iowa casinos. This report is based upon that information.

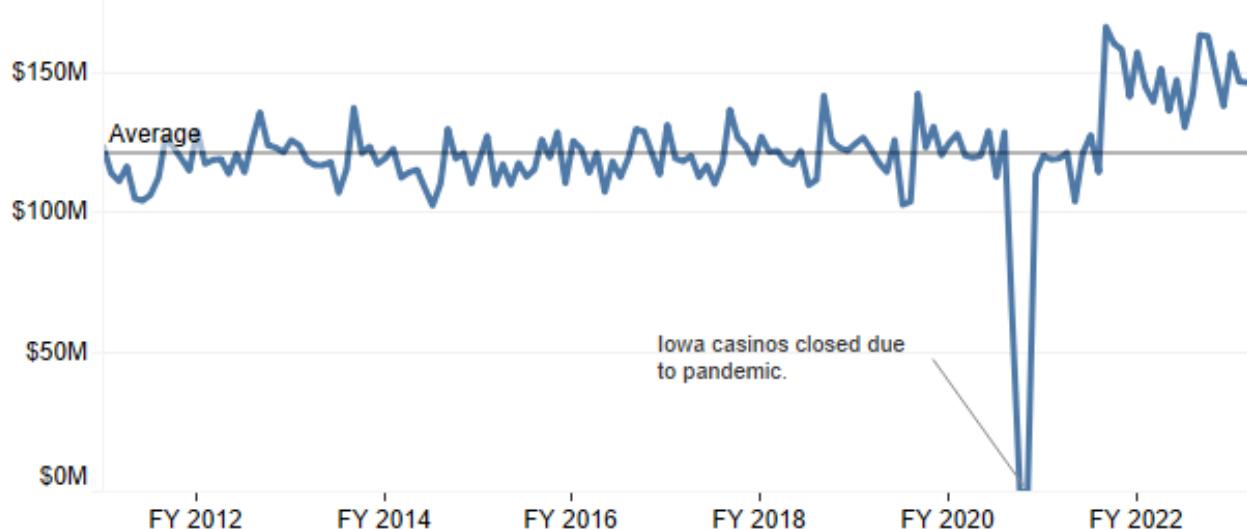
Casino Adjusted Gross Receipts

Adjusted gross receipts (AGR) consist of the total amount wagered less the winnings paid and represent the amount subject to wagering tax. The first quarter of 2023 decreased slightly in AGR compared to the final quarter of FY 2022. However, the first quarter of FY 2023 increased compared to the same quarter of FY 2022. There was a 1.3% increase in AGR in August 2022 compared to August 2021 and a 5.0% increase in September 2022 compared to September 2021. July 2022 was the only month in the first quarter in which the AGR decreased compared to the same month in FY 2022, with a slight 0.2% decrease. The first quarter of FY 2023 is the third highest quarter for AGR on record at \$450.8 million, behind only the fourth quarters of FY 2021 and FY 2022.

Adjusted Gross Revenue by Fiscal Quarter (in millions)

	2021	2022	2023
Q1	\$358.9	\$442.3	\$450.8
Q2	\$347.0	\$435.7	
Q3	\$408.9	\$436.3	
Q4	\$460.7	\$452.0	
Total	\$1,575.4	\$1,766.2	\$450.8

Adjusted Gross Revenue by Month



Casino Admissions

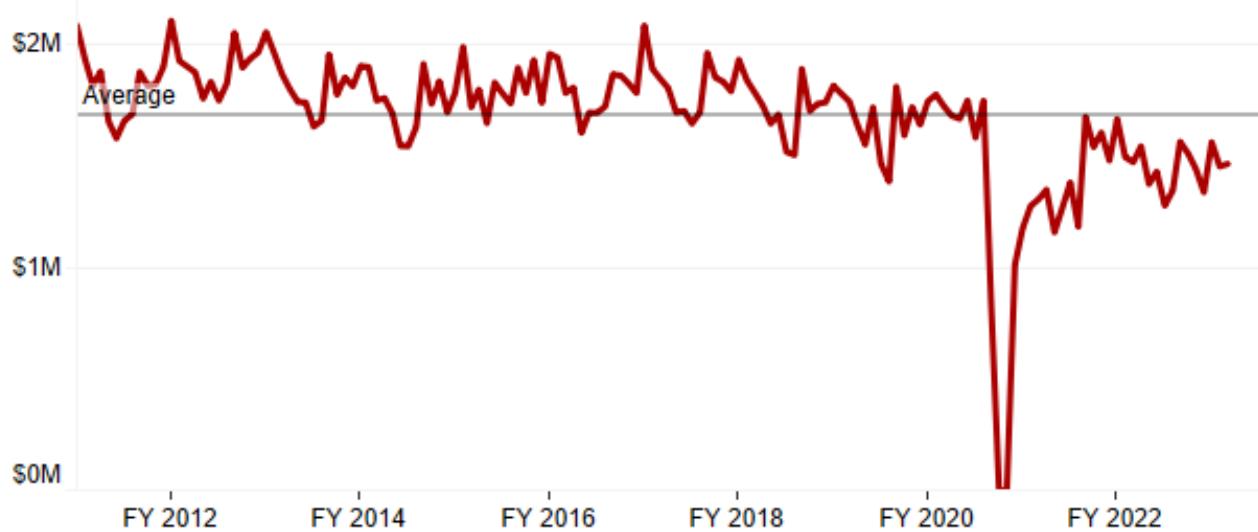
Admissions to Iowa casinos experienced an increase in the first quarter of FY 2023 compared to the final quarter of FY 2022. However, there was a decrease in admissions when comparing the first quarter of FY 2023 to the same quarter in FY 2022. July 2022 experienced the greatest decrease in admissions compared to July 2021, with a 6.2% decrease. There was a 2.8% decrease in August and a 0.5% decrease in September.

Admissions by Fiscal Quarter

	2021	2022	2023
Q1	3,758,237	4,632,331	4,479,211
Q2	3,772,323	4,347,649	
Q3	4,239,381	4,186,939	
Q4	4,624,714	4,289,683	
Total	16,394,655	17,456,602	4,479,211

While lower casino admissions in FY 2021 and FY 2022 likely reflect the ongoing impact of the pandemic, casino admissions have been declining for a number of years. It is not possible to determine whether admissions in the future will rebound or whether a new normal can be expected. Admissions in the first quarter of FY 2023 were 15.9% below the average admissions for all first quarters since 2010.

Admissions by Month



Sports Wagering Net Receipts

Sports wagering net receipts consist of the total amount wagered (handle) less the winnings paid and represent the amount subject to State tax. Sports wagering was first authorized in the State beginning on August 15, 2019. Until January 1, 2021, individuals were required to register in person inside a casino to wager.

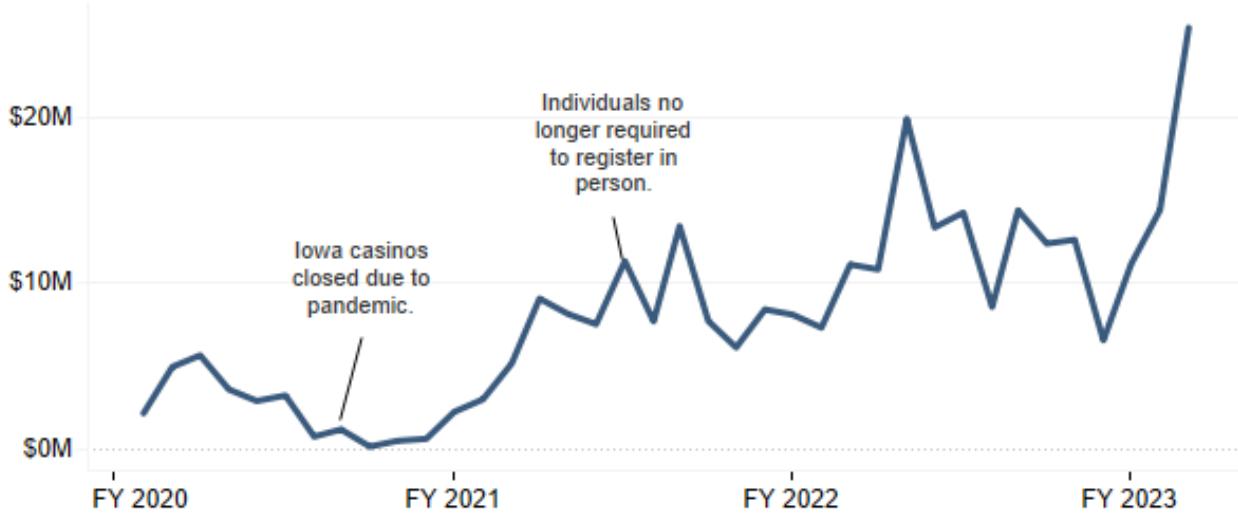
It is difficult to determine average net receipt levels across a fiscal year at this time due to the novelty of sports wagering in the State and the impact of the COVID-19 pandemic on the market. However, the first quarter of FY 2023 is the strongest quarter on record for sports wagering net receipts, with all three months increasing compared to the same months in 2021. There was a 37.7% increase in net receipts in July 2022 compared to July 2021, a 96.8% increase in August 2022 compared

Sports Wagering Net Receipts by Fiscal Quarter (in millions)

	FY 2021	FY 2022	FY 2023
Q1	\$10.4	\$26.6	\$51.0
Q2	\$24.8	\$44.1	
Q3	\$32.5	\$37.3	
Q4	\$22.3	\$31.6	
Total	\$90.0	\$139.6	\$51.0

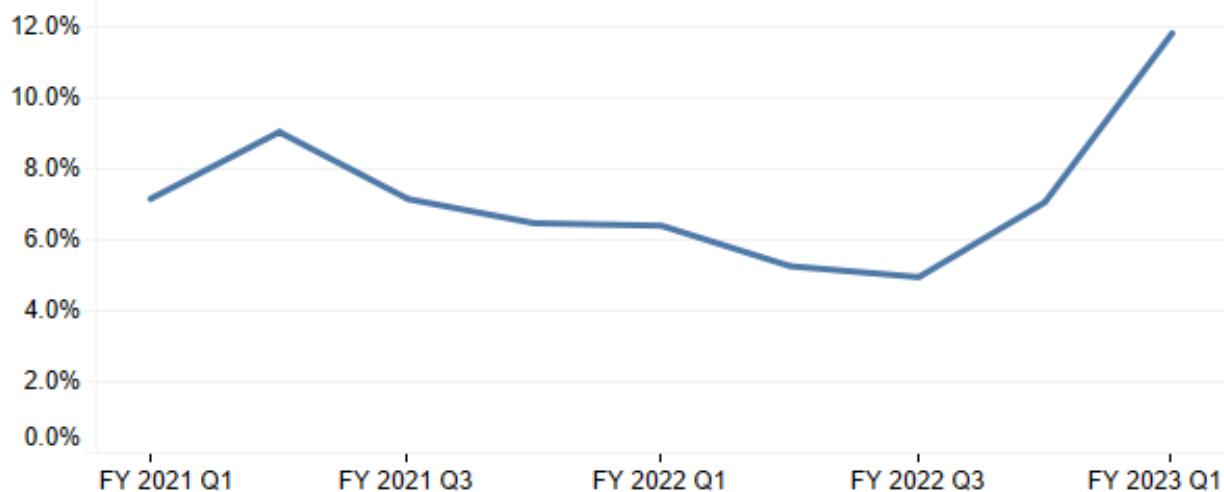
to August 2021, and a 128.3% increase in September 2022 compared to September 2021. September 2022 net receipts are now the highest on record at \$25.4 million, with November 2021 the second highest at \$19.9 million. August 2022 net receipts are the third highest on record.

Sports Wagering Net Receipts by Month



Despite record taxes, the September 2022 total handle (the total amount wagered) is only the eighth highest on record. When comparing total sports wagering handle, September 2022 declined 7.4% compared to September 2021. When comparing the total sports wagering net receipts as a percentage of the total sports wagering handle, the first quarter of FY 2023 exceeded all other quarters at 11.8%. The same quarter in FY 2022 had a percentage of 6.4%.

Sports Wagering Net Receipts as a Percentage of Total Handle by Fiscal Quarter



LSA Staff Contact: Maria Wagenhofer (515.281.5270) maria.wagenhofer@legis.iowa.gov

Doc ID 1298337