

FISCAL UPDATE Article

Fiscal Services Division

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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.

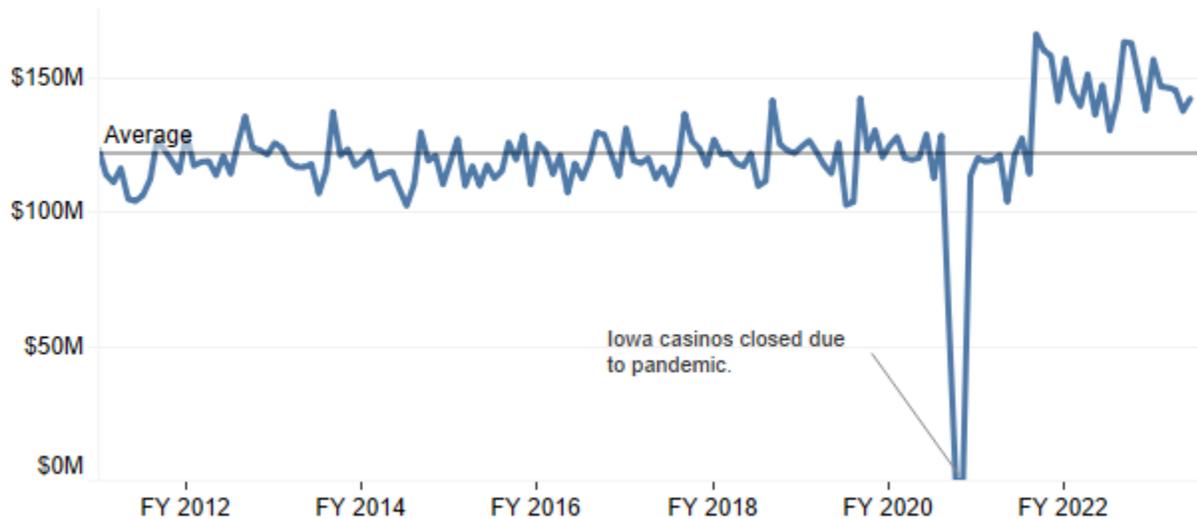
Casino Adjusted Gross Receipts

Adjusted gross receipts (AGR) consist of the total amount wagered less the winnings paid and represent the amount subject to wagering tax. The second quarter of 2023 decreased in AGR compared to the first quarter of FY 2023 and compared to the same quarter in FY 2022. There was a 3.9% and 3.5% decrease in AGR in October and December 2022 compared to the same month in 2021. There was a 1.0% increase in AGR in November 2022 compared to November 2021. The second quarter of FY 2023 is the lowest AGR for a quarter since the fourth quarter of FY 2021.

Adjusted Gross Revenue by Fiscal Quarter (in millions)

	2021	2022	2023
Q1	\$358.9	\$442.3	\$450.8
Q2	\$347.0	\$435.7	\$426.1
Q3	\$408.9	\$436.3	
Q4	\$460.7	\$452.0	
Total	\$1,575.4	\$1,766.2	\$876.9

Adjusted Gross Revenue by Month



Casino Admissions

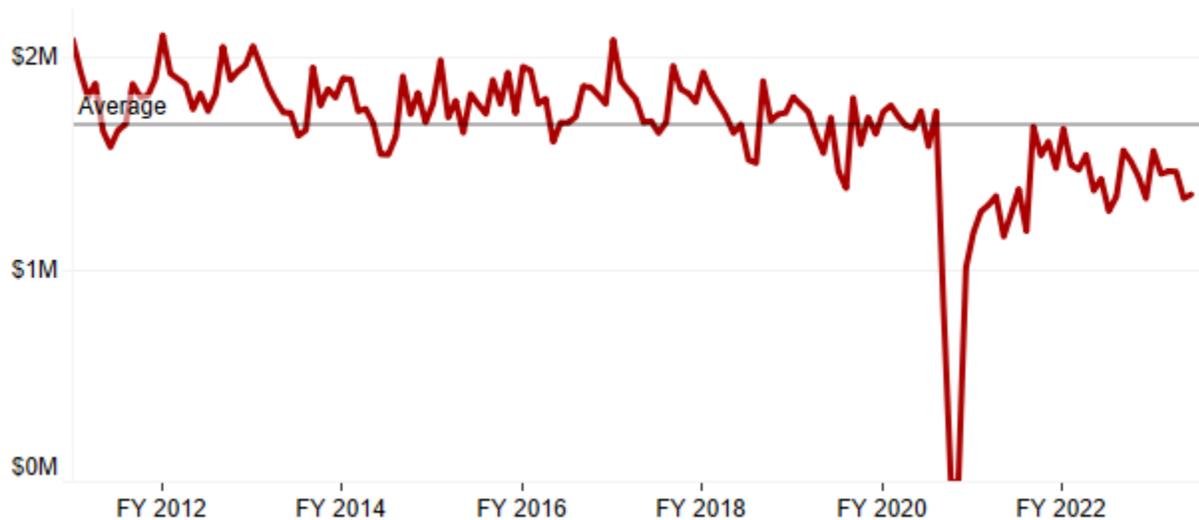
Admissions to Iowa casinos experienced a decrease in the second quarter of FY 2023 compared to the first quarter of FY 2023 and compared to the same quarter of FY 2022. Both December and October 2022 experienced a 5.2% decrease compared to the same months in 2021. There was a 2.7% decrease in November 2022 compared to November 2021.

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 second quarter of FY 2023 were 15.3% below the average admissions for all second quarters since 2010.

Admissions by Fiscal Quarter

	2021	2022	2023
Q1	3,758,237	4,632,331	4,479,211
Q2	3,772,323	4,347,649	4,156,312
Q3	4,239,381	4,186,939	
Q4	4,624,714	4,289,683	
Total	16,394,655	17,456,602	8,635,523

Admissions by Month



Sports Wagering Net Receipts

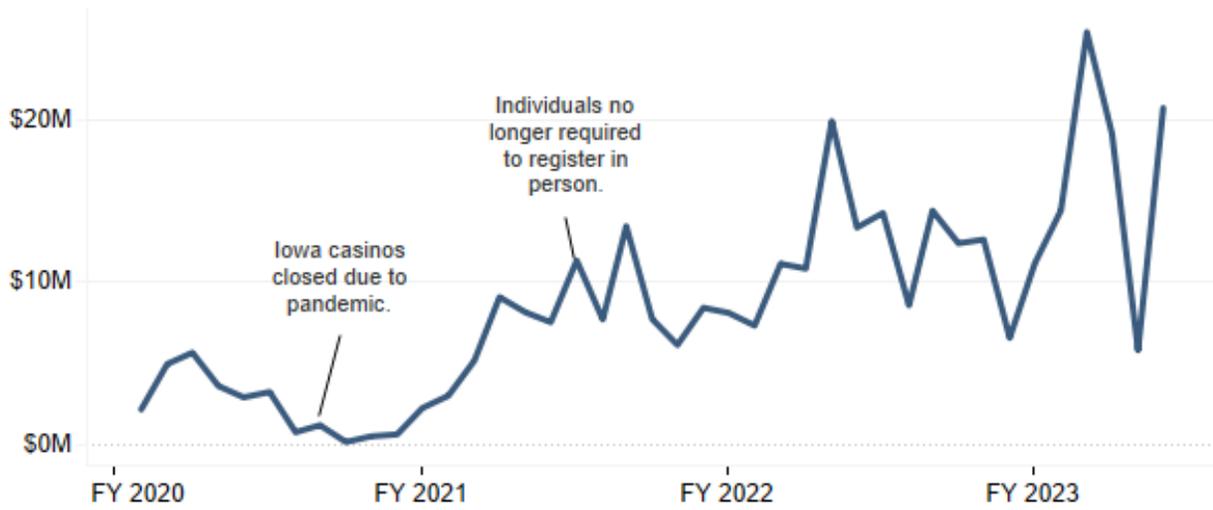
Sports wagering net receipts consist of the total amount wagered (handle) less the winnings paid and represent the amount subject to State tax. Sports wagering was first authorized in the State beginning on August 15, 2019. Until January 1, 2021, individuals were required to register in person inside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

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	\$45.7
Q3	\$32.5	\$37.3	
Q4	\$22.3	\$31.6	
Total	\$90.0	\$139.6	\$96.7

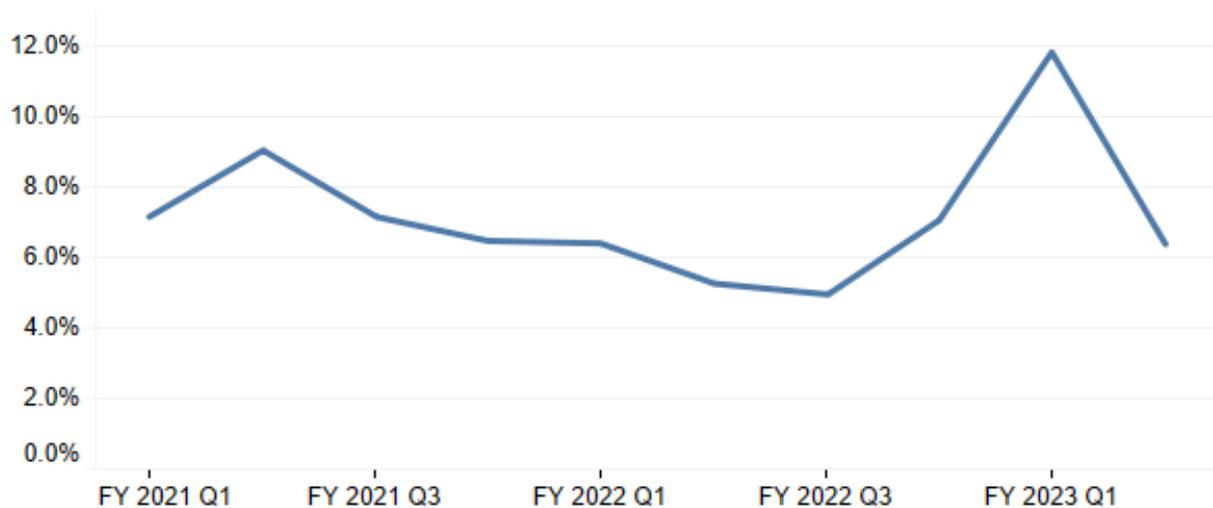
It is difficult to determine average net receipt levels across a fiscal year at this time due to the novelty of sports wagering in the State, the impact of the COVID-19 pandemic, and the variability of the market. The second quarter of FY 2023 is the second highest quarter on record for sports wagering net receipts. Both October and December had significant increases year-over-year at 76.5% and 55.2% increases. November 2022 experienced a significant decrease of 70.9% compared to November 2021.

Sports Wagering Net Receipts by Month



However, when comparing the total sports wagering net receipts as a percentage of the total sports wagering handle, November 2022 was the lowest since February 2020 at 2.3%. November 2021 had a percentage of 6.9%. Despite the second quarter of FY 2022 being the second highest on record for net receipts, the total handle (the total amount wagered) for the quarter is 14.7% lower than the same quarter of FY 2021.

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

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