

# FISCAL UPDATE Article

Fiscal Services Division

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## 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

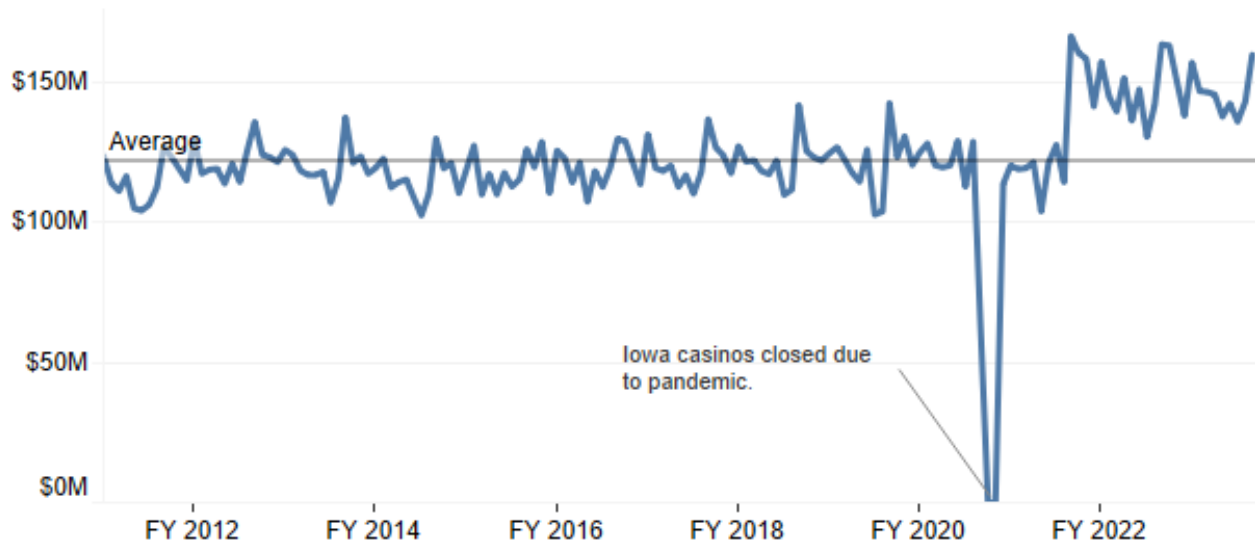
Adjusted gross receipts (AGR) consist of the total amount wagered less the winnings paid and represent the amount subject to wagering tax. The third quarter of 2023 increased in AGR compared to the second quarter of FY 2023 and compared to the same quarter in FY 2022. There was a 4.2% and 0.8% increase in AGR in January and February 2023, respectively, compared to the same months in 2022. There was a 2.3% decrease in AGR in March 2023 compared to March 2022.

### 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	\$439.2
Q4	\$460.7	\$452.0	
Total	\$1,575.4	\$1,766.2	\$1,316.2

Numbers may not total due to rounding.

### Adjusted Gross Revenue by Month



**Casino Gaming State Tax**

During the 2021 Legislative Session, [SF 619](#) (Taxation and Other Provisions Act) amended the definition of “adjusted gross receipts” to include all promotional play receipts on gambling games from the beginning of FY 2022 to the end of FY 2026 with a gradual phaseout of the tax on promotional play receipts during this time. Beginning July 1, 2026, AGR will exclude promotional play receipts. Iowa Code section [99F.1](#) defines “promotional play receipts” as the total sums wagered on gambling games with tokens, chips, electronic credits, or other forms of cashless wagering provided by the licensee without an exchange of money. As a result, while AGR figures increased for the third quarter of FY 2023, the amount of State tax collected decreased 0.7% compared to the same quarter in FY 2022.

**State Tax by Fiscal Quarter**  
(in millions)

	2021	2022	2023
Q1	\$65.7	\$81.6	\$82.1
Q2	\$71.1	\$88.1	\$84.9
Q3	\$83.7	\$88.2	\$87.6
Q4	\$94.1	\$91.5	
Total	\$314.5	\$349.4	\$254.6

Numbers may not total due to rounding.

**Casino Admissions**

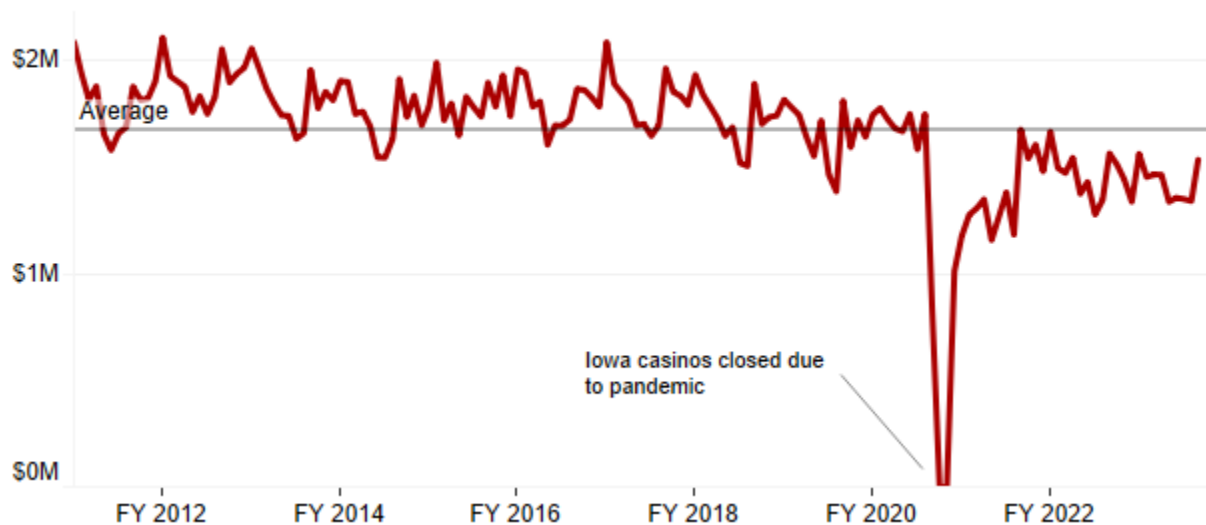
Admissions to Iowa casinos experienced an increase in the third quarter of FY 2023 compared to the second quarter of FY 2023 and compared to the same quarter of FY 2022. January 2023 experienced a 5.7% increase in admissions compared to January 2022, while February and March decreased 0.4% and 1.9% compared to the same months in 2022.

**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	4,223,954
Q4	4,624,714	4,289,683	
Total	16,394,655	17,456,602	12,859,477

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 third quarter of FY 2023 were 14.3% below the average admissions for all third 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.

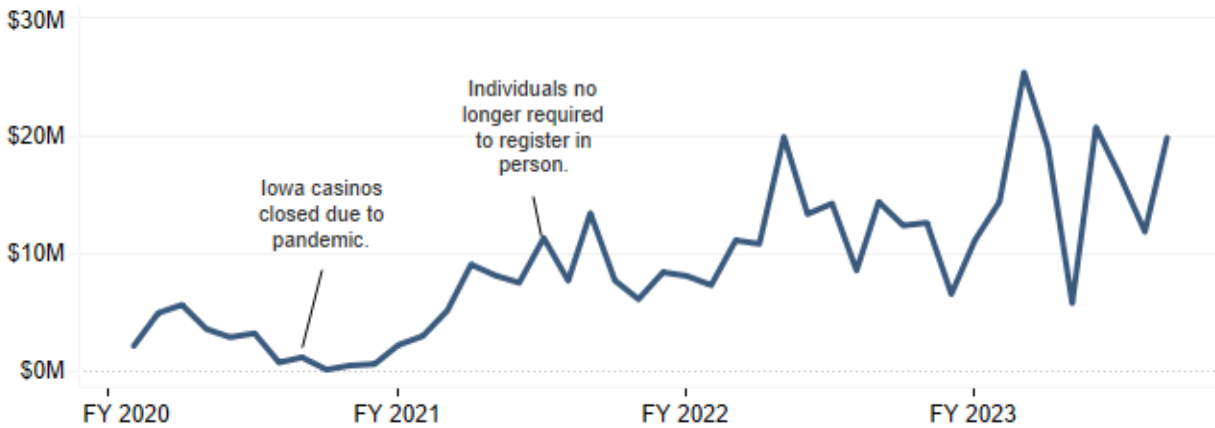
It is difficult to determine average sports wagering net receipt levels across a fiscal year at this time due to the novelty of sports wagering in the State, the impact of the COVID-19 pandemic, and the variability of the market.

The third quarter of FY 2023 is the second-highest quarter on record for sports wagering net receipts. All three months in the third quarter had increases year over year. January 2023 experienced a 15.9% increase in sport wagering net receipts compared to January 2022, while February and March experienced a 38.4% and 37.8% increase year over year.

**Sports Wagering Net Receipts by Fiscal Quarter (in millions)**

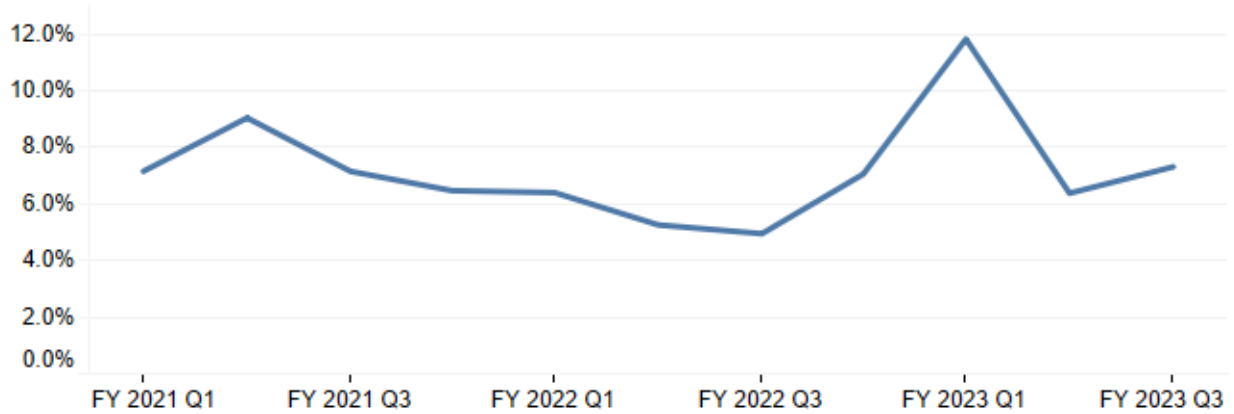
	FY 2021	FY 2022	FY 2023
Q1	\$10.4	\$26.6	\$51.0
Q2	\$24.8	\$44.1	\$45.7
Q3	\$32.5	\$37.3	\$48.3
Q4	\$22.3	\$31.6	
Total	\$90.0	\$139.6	\$145.0

**Sports Wagering Net Receipts by Month**



However, when comparing total sports wagering handle (the total amount wagered), the third quarter of FY 2023 declined 12.3% compared to the same quarter in FY 2022. When comparing the total sports wagering net receipts as a percentage of the total sports wagering handle, all three months in the third quarter had a higher percentage than the same months in FY 2022.

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



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