

House Study Bill 665 - Introduced

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON SANDS)

A BILL FOR

1 An Act excluding certain wagers from the definition of adjusted
2 gross receipts for purposes of the wagering tax on gambling
3 games.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99F.1, Code 2014, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 22. *“Taxable gross receipts”* means the
4 adjusted gross receipts less the total sums wagered with
5 tokens, chips, electronic credits, or other forms of cashless
6 wagering provided by the licensee without an exchange of money
7 as described in section 99F.9, subsection 4.

8 Sec. 2. Section 99F.4A, subsection 6, Code 2014, is amended
9 to read as follows:

10 6. The ~~adjusted~~ taxable gross receipts received from
11 gambling games shall be taxed at the same rates and the
12 proceeds distributed in the same manner as provided in section
13 99F.11.

14 Sec. 3. Section 99F.11, subsection 1, Code 2014, is amended
15 to read as follows:

16 1. A tax is imposed on the ~~adjusted~~ taxable gross receipts
17 received each fiscal year from gambling games authorized under
18 this chapter at the rate of five percent on the first one
19 million dollars of ~~adjusted~~ taxable gross receipts and at the
20 rate of ten percent on the next two million dollars of ~~adjusted~~
21 taxable gross receipts.

22 Sec. 4. Section 99F.11, subsection 2, unnumbered paragraph
23 1, Code 2014, is amended to read as follows:

24 The tax rate imposed each fiscal year on any amount of
25 ~~adjusted~~ taxable gross receipts over three million dollars
26 shall be as follows:

27 Sec. 5. Section 99F.11, subsection 2, paragraph b,
28 subparagraph (2), Code 2014, is amended to read as follows:

29 (2) If the licensee of the racetrack enclosure has been
30 issued a table games license during the fiscal year or prior
31 fiscal year and the adjusted gross receipts from gambling games
32 of the licensee in the prior fiscal year were one hundred
33 million dollars or more, twenty-two percent on ~~adjusted~~ taxable
34 gross receipts received prior to the operational date and
35 twenty-four percent on ~~adjusted~~ taxable gross receipts received

1 on or after the operational date. For purposes of this
2 subparagraph, the operational date is the date the commission
3 determines table games became operational at the racetrack
4 enclosure.

5 Sec. 6. Section 99F.11, subsection 3, paragraphs a, b, and
6 c, Code 2014, are amended to read as follows:

7 a. If the gambling excursion originated at a dock located
8 in a city, one-half of one percent of the ~~adjusted~~ taxable
9 gross receipts shall be remitted to the treasurer of the city
10 in which the dock is located and shall be deposited in the
11 general fund of the city. Another one-half of one percent of
12 the ~~adjusted~~ taxable gross receipts shall be remitted to the
13 treasurer of the county in which the dock is located and shall
14 be deposited in the general fund of the county.

15 b. If the gambling excursion originated at a dock located
16 in a part of the county outside a city, one-half of one percent
17 of the ~~adjusted~~ taxable gross receipts shall be remitted to
18 the treasurer of the county in which the dock is located and
19 shall be deposited in the general fund of the county. Another
20 one-half of one percent of the ~~adjusted~~ taxable gross receipts
21 shall be remitted to the treasurer of the Iowa city nearest to
22 where the dock is located and shall be deposited in the general
23 fund of the city.

24 c. Eight-tenths of one percent of the ~~adjusted~~ taxable gross
25 receipts tax shall be deposited in the county endowment fund
26 created in section 15E.311.

27 Sec. 7. Section 99F.11, subsection 3, paragraph d,
28 unnumbered paragraph 1, Code 2014, is amended to read as
29 follows:

30 Two-tenths of one percent of the ~~adjusted~~ taxable gross
31 receipts tax shall be allocated each fiscal year as follows:

32 Sec. 8. Section 99F.11, subsection 3, paragraph e, Code
33 2014, is amended to read as follows:

34 e. The remaining amount of the ~~adjusted~~ taxable gross
35 receipts tax shall be credited as provided in section 8.57,

1 subsection 5.

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EXPLANATION

3 The inclusion of this explanation does not constitute agreement with
4 the explanation's substance by the members of the general assembly.

5 This bill excludes from adjusted gross receipts for purposes
6 of calculating the wagering tax on gambling game receipts as
7 provided in Code section 99F.11 the total sums wagered with
8 tokens, chips, electronic credits, or other forms of cashless
9 wagering provided by the licensee without an exchange of money.