

House Study Bill 61 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
STATE GOVERNMENT BILL BY
CHAIRPERSON KAUFMANN)

A BILL FOR

1 An Act relating to wagering taxes imposed on promotional play
2 receipts.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99F.1, subsection 1, Code 2019, is
2 amended to read as follows:

3 1. "*Adjusted gross receipts*" means the gross receipts
4 less winnings paid to wagerers. ~~However, "*adjusted gross*~~
5 ~~*receipts*" does not include and less promotional play receipts~~
6 ~~received after the date in any fiscal year that the commission~~
7 ~~determines that the wagering tax imposed pursuant to section~~
8 ~~99F.11 on all licensees in that fiscal year on promotional~~
9 ~~play receipts exceeds twenty-five million eight hundred twenty~~
10 ~~thousand dollars.~~

11 Sec. 2. NEW SECTION. 99F.11A Promotional play receipts
12 taxation.

13 1. Notwithstanding any provision of law to the contrary,
14 for the fiscal year beginning July 1, 2019, and for each fiscal
15 year thereafter through the fiscal year beginning July 1,
16 2022, "*adjusted gross receipts*" for purposes of this chapter
17 shall include an amount equal to the applicable percentage of
18 promotional play receipts received prior to the date in any
19 fiscal year that the racing and gaming commission determines
20 that the wagering tax imposed pursuant to section 99F.11 on
21 all licensees in that fiscal year on promotional play receipts
22 exceeds twenty-five million eight hundred twenty thousand
23 dollars.

24 2. For purposes of this section, "*applicable percentage*"
25 means as follows:

26 a. For the fiscal year beginning July 1, 2019, and ending
27 June 30, 2020, eighty percent.

28 b. For the fiscal year beginning July 1, 2020, and ending
29 June 30, 2021, sixty percent.

30 c. For the fiscal year beginning July 1, 2021, and ending
31 June 30, 2022, forty percent.

32 d. For the fiscal year beginning July 1, 2022, and ending
33 June 30, 2023, twenty percent.

34 3. This section is repealed July 1, 2023.

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EXPLANATION

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

3 This bill concerns the definition of adjusted gross receipts
4 for purposes of Code chapter 99F governing gambling games.

5 The bill amends the definition of adjusted gross receipts
6 to provide that adjusted gross receipts does not include
7 promotional play receipts. Currently, adjusted gross receipts
8 includes promotional play receipts until the date in any
9 fiscal year that the wagering tax on the portion of adjusted
10 gross receipts representing promotional play receipts exceeds
11 \$25,820,000. However, the bill establishes new Code section
12 99F.11A which provides, for the fiscal period beginning July 1,
13 2019, and ending June 30, 2023, that adjusted gross receipts
14 does include an amount equal to the applicable percentage of
15 promotional play receipts received prior to the date in any
16 fiscal year that the racing and gaming commission determines
17 that the wagering tax imposed on all licensees in that fiscal
18 year on promotional play receipts exceeds \$25,820,000. The new
19 Code section provides that the applicable percentage for FY
20 2019-2020 is 80 percent, for FY 2020-2021, 60 percent, for FY
21 2021-2022, 40 percent, and for FY 2022-2023, 20 percent. This
22 new Code section is repealed July 1, 2023. The bill provides,
23 then, that beginning July 1, 2023, that adjusted gross receipts
24 does not include any promotional play receipts.