

**House Study Bill 719 - Introduced**

HOUSE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON KAUFMANN)

**A BILL FOR**

1 An Act relating to tax rates on receipts from gambling games.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99F.11, subsection 2, Code 2024, is  
2 amended to read as follows:

3 2. The tax rate imposed each fiscal year on any amount of  
4 adjusted gross receipts over three million dollars shall be as  
5 follows:

6 a. If the licensee is an excursion gambling boat or gambling  
7 structure<sub>7</sub>:

8 (1) For fiscal years beginning prior to July 1, 2024,  
9 twenty-two percent.

10 (2) For the fiscal year beginning July 1, 2024, and ending  
11 June 30, 2025, twenty-one percent.

12 (3) For the fiscal year beginning July 1, 2025, and ending  
13 June 30, 2026, twenty percent.

14 (4) For the fiscal year beginning July 1, 2026, and ending  
15 June 30, 2027, and for each fiscal year thereafter, nineteen  
16 percent.

17 b. If the licensee is a racetrack enclosure conducting  
18 gambling games and another licensee that is an excursion  
19 gambling boat or gambling structure is located in the same  
20 county, then one of the following ~~rate~~ rates, as applicable:

21 (1) If the licensee of the racetrack enclosure has not been  
22 issued a table games license during the fiscal year or if the  
23 adjusted gross receipts from gambling games of the licensee  
24 in the prior fiscal year were less than one hundred million  
25 dollars<sub>7</sub>:

26 (a) For fiscal years beginning prior to July 1, 2024,  
27 twenty-two percent.

28 (b) For the fiscal year beginning July 1, 2024, and ending  
29 June 30, 2025, twenty-one percent.

30 (c) For the fiscal year beginning July 1, 2025, and ending  
31 June 30, 2026, twenty percent.

32 (d) For the fiscal year beginning July 1, 2026, and ending  
33 June 30, 2027, and for each fiscal year thereafter, nineteen  
34 percent.

35 (2) If the licensee of the racetrack enclosure has been

1 issued a table games license during the fiscal year or prior  
2 fiscal year and the adjusted gross receipts from gambling games  
3 of the licensee in the prior fiscal year were one hundred  
4 million dollars or more~~7~~:

5 (a) For fiscal years beginning prior to July 1, 2024,  
6 twenty-two percent on adjusted gross receipts received prior  
7 to the operational date and twenty-four percent on adjusted  
8 gross receipts received on or after the operational date.  
9 For purposes of this subparagraph division, the operational  
10 date is the date the commission determines table games became  
11 operational at the racetrack enclosure.

12 (b) For the fiscal year beginning July 1, 2024, and ending  
13 June 30, 2025, twenty-three percent.

14 (c) For the fiscal year beginning July 1, 2025, and ending  
15 June 30, 2026, twenty-two percent.

16 (d) For the fiscal year beginning July 1, 2026, and ending  
17 June 30, 2027, and for each fiscal year thereafter, twenty-one  
18 percent.

19 *c.* If the licensee is a racetrack enclosure conducting  
20 gambling games and no licensee that is an excursion gambling  
21 boat or gambling structure is located in the same county~~7~~:

22 (1) For fiscal years beginning prior to July 1, 2024,  
23 twenty-four percent.

24 (2) For the fiscal year beginning July 1, 2024, and ending  
25 June 30, 2025, twenty-three percent.

26 (3) For the fiscal year beginning July 1, 2025, and ending  
27 June 30, 2026, twenty-two percent.

28 (4) For the fiscal year beginning July 1, 2026, and ending  
29 June 30, 2027, and for each fiscal year thereafter, twenty-one  
30 percent.

31 EXPLANATION

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

34 This bill relates to tax rates on receipts from gambling  
35 games.

1 Under current law, if a person licensed under Code chapter  
2 99F (licensee) is an excursion gambling boat or gambling  
3 structure, the tax rate imposed each fiscal year on any amount  
4 of adjusted gross receipts over \$3 million is 22 percent.  
5 Under the bill, the tax rate is decreased to 21 percent for FY  
6 2024-2025, 20 percent for FY 2025-2026, and 19 percent for FY  
7 2026-2027 and thereafter.

8 Under current law, if the licensee is a racetrack enclosure  
9 conducting gambling games and another licensee that is an  
10 excursion gambling boat or gambling structure is located in the  
11 same county and the licensee of the racetrack enclosure has  
12 not been issued a table games license during the fiscal year  
13 or if the adjusted gross receipts from gambling games of the  
14 licensee in the prior fiscal year were less than \$100 million,  
15 the tax rate imposed each fiscal year on any amount of adjusted  
16 gross receipts over \$3 million is 22 percent. Under the bill,  
17 the tax rate is decreased to 21 percent for FY 2024-2025, 20  
18 percent for FY 2025-2026, and 19 percent for FY 2026-2027 and  
19 thereafter.

20 Under current law, if the licensee is a racetrack enclosure  
21 conducting gambling games and another licensee that is an  
22 excursion gambling boat or gambling structure is located in the  
23 same county and the licensee of the racetrack enclosure has  
24 been issued a table games license during the fiscal year or  
25 prior fiscal year and the adjusted gross receipts from gambling  
26 games of the licensee in the prior fiscal year were \$100  
27 million or more, the tax rate imposed each fiscal year on any  
28 amount of adjusted gross receipts over \$3 million is 22 percent  
29 on adjusted gross receipts received prior to the operational  
30 date and 24 percent on adjusted gross receipts received on  
31 or after the operational date. Under the bill, the tax rate  
32 is altered to 23 percent for FY 2024-2025, 22 percent for FY  
33 2025-2026, and 21 percent for FY 2026-2027 and thereafter,  
34 regardless of operational date.

35 Under current law, if the licensee is a racetrack enclosure

1 conducting gambling games and no licensee that is an excursion  
2 gambling boat or gambling structure is located in the same  
3 county, the tax rate imposed each fiscal year on any amount  
4 of adjusted gross receipts over \$3 million is 24 percent.  
5 Under the bill, the tax rate is decreased to 23 percent for FY  
6 2024-2025, 22 percent for FY 2025-2026, and 21 percent for FY  
7 2026-2027 and thereafter.

8 Taxes collected under Code section 99F.11 on the adjusted  
9 gross receipts from gambling games are used to support a  
10 variety of programs and funds including the county endowment  
11 fund; operational support grants, community cultural grants,  
12 and regional tourism marketing of the economic development  
13 authority; the rebuild Iowa infrastructure fund; the revenue  
14 bonds debt service fund and revenue bonds federal subsidy  
15 holdback fund; the water quality infrastructure fund; the Iowa  
16 skilled worker and job creation fund; and the levee improvement  
17 fund.