

SB3663



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

SB3663

Introduced 5/20/2014, by Sen. Michael Noland

SYNOPSIS AS INTRODUCED:

230 ILCS 10/12
230 ILCS 10/13

from Ch. 120, par. 2412
from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Provides that, beginning on the effective date of the amendatory Act, the admission tax shall not be imposed. Further provides that, for the purposes of the privilege tax imposed under the Act, amounts paid to qualified charities and all taxes paid to any government or municipality shall not be included in the determination of adjusted gross receipts.

LRB098 21260 ZMM 59334 b

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Riverboat Gambling Act is amended by
5 changing Sections 12 and 13 as follows:

6 (230 ILCS 10/12) (from Ch. 120, par. 2412)

7 Sec. 12. Admission tax; fees.

8 (a) A tax is hereby imposed upon admissions to riverboats
9 operated by licensed owners authorized pursuant to this Act.
10 Until July 1, 2002, the rate is \$2 per person admitted. From
11 July 1, 2002 until July 1, 2003, the rate is \$3 per person
12 admitted. From July 1, 2003 until August 23, 2005 (the
13 effective date of Public Act 94-673), for a licensee that
14 admitted 1,000,000 persons or fewer in the previous calendar
15 year, the rate is \$3 per person admitted; for a licensee that
16 admitted more than 1,000,000 but no more than 2,300,000 persons
17 in the previous calendar year, the rate is \$4 per person
18 admitted; and for a licensee that admitted more than 2,300,000
19 persons in the previous calendar year, the rate is \$5 per
20 person admitted. Beginning on August 23, 2005 (the effective
21 date of Public Act 94-673), for a licensee that admitted
22 1,000,000 persons or fewer in calendar year 2004, the rate is
23 \$2 per person admitted, and for all other licensees, including

1 licensees that were not conducting gambling operations in 2004,
2 the rate is \$3 per person admitted. This admission tax is
3 imposed upon the licensed owner conducting gambling.

4 (1) The admission tax shall be paid for each admission,
5 except that a person who exits a riverboat gambling
6 facility and reenters that riverboat gambling facility
7 within the same gaming day shall be subject only to the
8 initial admission tax.

9 (2) (Blank).

10 (3) The riverboat licensee may issue tax-free passes to
11 actual and necessary officials and employees of the
12 licensee or other persons actually working on the
13 riverboat.

14 (4) The number and issuance of tax-free passes is
15 subject to the rules of the Board, and a list of all
16 persons to whom the tax-free passes are issued shall be
17 filed with the Board.

18 (a-5) A fee is hereby imposed upon admissions operated by
19 licensed managers on behalf of the State pursuant to Section
20 7.3 at the rates provided in this subsection (a-5). For a
21 licensee that admitted 1,000,000 persons or fewer in the
22 previous calendar year, the rate is \$3 per person admitted; for
23 a licensee that admitted more than 1,000,000 but no more than
24 2,300,000 persons in the previous calendar year, the rate is \$4
25 per person admitted; and for a licensee that admitted more than
26 2,300,000 persons in the previous calendar year, the rate is \$5

1 per person admitted.

2 (1) The admission fee shall be paid for each admission.

3 (2) (Blank).

4 (3) The licensed manager may issue fee-free passes to
5 actual and necessary officials and employees of the manager
6 or other persons actually working on the riverboat.

7 (4) The number and issuance of fee-free passes is
8 subject to the rules of the Board, and a list of all
9 persons to whom the fee-free passes are issued shall be
10 filed with the Board.

11 (b) From the tax imposed under subsection (a) and the fee
12 imposed under subsection (a-5), a municipality shall receive
13 from the State \$1 for each person embarking on a riverboat
14 docked within the municipality, and a county shall receive \$1
15 for each person embarking on a riverboat docked within the
16 county but outside the boundaries of any municipality. The
17 municipality's or county's share shall be collected by the
18 Board on behalf of the State and remitted quarterly by the
19 State, subject to appropriation, to the treasurer of the unit
20 of local government for deposit in the general fund.

21 (c) The licensed owner shall pay the entire admission tax
22 to the Board and the licensed manager shall pay the entire
23 admission fee to the Board. Such payments shall be made daily.
24 Accompanying each payment shall be a return on forms provided
25 by the Board which shall include other information regarding
26 admissions as the Board may require. Failure to submit either

1 the payment or the return within the specified time may result
2 in suspension or revocation of the owners or managers license.

3 (d) The Board shall administer and collect the admission
4 tax imposed by this Section, to the extent practicable, in a
5 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
6 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
7 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
8 Penalty and Interest Act.

9 (e) Beginning on the effective date of this amendatory Act
10 of the 98th General Assembly, the admission tax under this
11 Section shall not be imposed.

12 (Source: P.A. 95-663, eff. 10-11-07; 96-1392, eff. 1-1-11.)

13 (230 ILCS 10/13) (from Ch. 120, par. 2413)

14 Sec. 13. Wagering tax; rate; distribution.

15 (a) Until January 1, 1998, a tax is imposed on the adjusted
16 gross receipts received from gambling games authorized under
17 this Act at the rate of 20%.

18 (a-1) From January 1, 1998 until July 1, 2002, a privilege
19 tax is imposed on persons engaged in the business of conducting
20 riverboat gambling operations, based on the adjusted gross
21 receipts received by a licensed owner from gambling games
22 authorized under this Act at the following rates:

23 15% of annual adjusted gross receipts up to and
24 including \$25,000,000;

25 20% of annual adjusted gross receipts in excess of

1 \$25,000,000 but not exceeding \$50,000,000;
2 25% of annual adjusted gross receipts in excess of
3 \$50,000,000 but not exceeding \$75,000,000;
4 30% of annual adjusted gross receipts in excess of
5 \$75,000,000 but not exceeding \$100,000,000;
6 35% of annual adjusted gross receipts in excess of
7 \$100,000,000.

8 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
9 is imposed on persons engaged in the business of conducting
10 riverboat gambling operations, other than licensed managers
11 conducting riverboat gambling operations on behalf of the
12 State, based on the adjusted gross receipts received by a
13 licensed owner from gambling games authorized under this Act at
14 the following rates:

15 15% of annual adjusted gross receipts up to and
16 including \$25,000,000;
17 22.5% of annual adjusted gross receipts in excess of
18 \$25,000,000 but not exceeding \$50,000,000;
19 27.5% of annual adjusted gross receipts in excess of
20 \$50,000,000 but not exceeding \$75,000,000;
21 32.5% of annual adjusted gross receipts in excess of
22 \$75,000,000 but not exceeding \$100,000,000;
23 37.5% of annual adjusted gross receipts in excess of
24 \$100,000,000 but not exceeding \$150,000,000;
25 45% of annual adjusted gross receipts in excess of
26 \$150,000,000 but not exceeding \$200,000,000;

1 50% of annual adjusted gross receipts in excess of
2 \$200,000,000.

3 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
4 persons engaged in the business of conducting riverboat
5 gambling operations, other than licensed managers conducting
6 riverboat gambling operations on behalf of the State, based on
7 the adjusted gross receipts received by a licensed owner from
8 gambling games authorized under this Act at the following
9 rates:

10 15% of annual adjusted gross receipts up to and
11 including \$25,000,000;

12 27.5% of annual adjusted gross receipts in excess of
13 \$25,000,000 but not exceeding \$37,500,000;

14 32.5% of annual adjusted gross receipts in excess of
15 \$37,500,000 but not exceeding \$50,000,000;

16 37.5% of annual adjusted gross receipts in excess of
17 \$50,000,000 but not exceeding \$75,000,000;

18 45% of annual adjusted gross receipts in excess of
19 \$75,000,000 but not exceeding \$100,000,000;

20 50% of annual adjusted gross receipts in excess of
21 \$100,000,000 but not exceeding \$250,000,000;

22 70% of annual adjusted gross receipts in excess of
23 \$250,000,000.

24 An amount equal to the amount of wagering taxes collected
25 under this subsection (a-3) that are in addition to the amount
26 of wagering taxes that would have been collected if the

1 wagering tax rates under subsection (a-2) were in effect shall
2 be paid into the Common School Fund.

3 The privilege tax imposed under this subsection (a-3) shall
4 no longer be imposed beginning on the earlier of (i) July 1,
5 2005; (ii) the first date after June 20, 2003 that riverboat
6 gambling operations are conducted pursuant to a dormant
7 license; or (iii) the first day that riverboat gambling
8 operations are conducted under the authority of an owners
9 license that is in addition to the 10 owners licenses initially
10 authorized under this Act. For the purposes of this subsection
11 (a-3), the term "dormant license" means an owners license that
12 is authorized by this Act under which no riverboat gambling
13 operations are being conducted on June 20, 2003.

14 (a-4) Beginning on the first day on which the tax imposed
15 under subsection (a-3) is no longer imposed, a privilege tax is
16 imposed on persons engaged in the business of conducting
17 riverboat gambling operations, other than licensed managers
18 conducting riverboat gambling operations on behalf of the
19 State, based on the adjusted gross receipts received by a
20 licensed owner from gambling games authorized under this Act at
21 the following rates:

22 15% of annual adjusted gross receipts up to and
23 including \$25,000,000;

24 22.5% of annual adjusted gross receipts in excess of
25 \$25,000,000 but not exceeding \$50,000,000;

26 27.5% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$75,000,000;
2 32.5% of annual adjusted gross receipts in excess of
3 \$75,000,000 but not exceeding \$100,000,000;
4 37.5% of annual adjusted gross receipts in excess of
5 \$100,000,000 but not exceeding \$150,000,000;
6 45% of annual adjusted gross receipts in excess of
7 \$150,000,000 but not exceeding \$200,000,000;
8 50% of annual adjusted gross receipts in excess of
9 \$200,000,000.

10 For the imposition of the privilege tax in this subsection
11 (a-4), amounts paid to qualified charities and all taxes paid
12 to any government or municipality shall not be included in the
13 determination of adjusted gross receipts.

14 (a-8) Riverboat gambling operations conducted by a
15 licensed manager on behalf of the State are not subject to the
16 tax imposed under this Section.

17 (a-10) The taxes imposed by this Section shall be paid by
18 the licensed owner to the Board not later than 5:00 o'clock
19 p.m. of the day after the day when the wagers were made.

20 (a-15) If the privilege tax imposed under subsection (a-3)
21 is no longer imposed pursuant to item (i) of the last paragraph
22 of subsection (a-3), then by June 15 of each year, each owners
23 licensee, other than an owners licensee that admitted 1,000,000
24 persons or fewer in calendar year 2004, must, in addition to
25 the payment of all amounts otherwise due under this Section,
26 pay to the Board a reconciliation payment in the amount, if

1 any, by which the licensed owner's base amount exceeds the
2 amount of net privilege tax paid by the licensed owner to the
3 Board in the then current State fiscal year. A licensed owner's
4 net privilege tax obligation due for the balance of the State
5 fiscal year shall be reduced up to the total of the amount paid
6 by the licensed owner in its June 15 reconciliation payment.
7 The obligation imposed by this subsection (a-15) is binding on
8 any person, firm, corporation, or other entity that acquires an
9 ownership interest in any such owners license. The obligation
10 imposed under this subsection (a-15) terminates on the earliest
11 of: (i) July 1, 2007, (ii) the first day after the effective
12 date of this amendatory Act of the 94th General Assembly that
13 riverboat gambling operations are conducted pursuant to a
14 dormant license, (iii) the first day that riverboat gambling
15 operations are conducted under the authority of an owners
16 license that is in addition to the 10 owners licenses initially
17 authorized under this Act, or (iv) the first day that a
18 licensee under the Illinois Horse Racing Act of 1975 conducts
19 gaming operations with slot machines or other electronic gaming
20 devices. The Board must reduce the obligation imposed under
21 this subsection (a-15) by an amount the Board deems reasonable
22 for any of the following reasons: (A) an act or acts of God,
23 (B) an act of bioterrorism or terrorism or a bioterrorism or
24 terrorism threat that was investigated by a law enforcement
25 agency, or (C) a condition beyond the control of the owners
26 licensee that does not result from any act or omission by the

1 owners licensee or any of its agents and that poses a hazardous
2 threat to the health and safety of patrons. If an owners
3 licensee pays an amount in excess of its liability under this
4 Section, the Board shall apply the overpayment to future
5 payments required under this Section.

6 For purposes of this subsection (a-15):

7 "Act of God" means an incident caused by the operation of
8 an extraordinary force that cannot be foreseen, that cannot be
9 avoided by the exercise of due care, and for which no person
10 can be held liable.

11 "Base amount" means the following:

12 For a riverboat in Alton, \$31,000,000.

13 For a riverboat in East Peoria, \$43,000,000.

14 For the Empress riverboat in Joliet, \$86,000,000.

15 For a riverboat in Metropolis, \$45,000,000.

16 For the Harrah's riverboat in Joliet, \$114,000,000.

17 For a riverboat in Aurora, \$86,000,000.

18 For a riverboat in East St. Louis, \$48,500,000.

19 For a riverboat in Elgin, \$198,000,000.

20 "Dormant license" has the meaning ascribed to it in
21 subsection (a-3).

22 "Net privilege tax" means all privilege taxes paid by a
23 licensed owner to the Board under this Section, less all
24 payments made from the State Gaming Fund pursuant to subsection
25 (b) of this Section.

26 The changes made to this subsection (a-15) by Public Act

1 94-839 are intended to restate and clarify the intent of Public
2 Act 94-673 with respect to the amount of the payments required
3 to be made under this subsection by an owners licensee to the
4 Board.

5 (b) Until January 1, 1998, 25% of the tax revenue deposited
6 in the State Gaming Fund under this Section shall be paid,
7 subject to appropriation by the General Assembly, to the unit
8 of local government which is designated as the home dock of the
9 riverboat. Beginning January 1, 1998, from the tax revenue
10 deposited in the State Gaming Fund under this Section, an
11 amount equal to 5% of adjusted gross receipts generated by a
12 riverboat shall be paid monthly, subject to appropriation by
13 the General Assembly, to the unit of local government that is
14 designated as the home dock of the riverboat. From the tax
15 revenue deposited in the State Gaming Fund pursuant to
16 riverboat gambling operations conducted by a licensed manager
17 on behalf of the State, an amount equal to 5% of adjusted gross
18 receipts generated pursuant to those riverboat gambling
19 operations shall be paid monthly, subject to appropriation by
20 the General Assembly, to the unit of local government that is
21 designated as the home dock of the riverboat upon which those
22 riverboat gambling operations are conducted.

23 (c) Appropriations, as approved by the General Assembly,
24 may be made from the State Gaming Fund to the Board (i) for the
25 administration and enforcement of this Act and the Video Gaming
26 Act, (ii) for distribution to the Department of State Police

1 and to the Department of Revenue for the enforcement of this
2 Act, and (iii) to the Department of Human Services for the
3 administration of programs to treat problem gambling.

4 (c-5) Before May 26, 2006 (the effective date of Public Act
5 94-804) and beginning on the effective date of this amendatory
6 Act of the 95th General Assembly, unless any organization
7 licensee under the Illinois Horse Racing Act of 1975 begins to
8 operate a slot machine or video game of chance under the
9 Illinois Horse Racing Act of 1975 or this Act, after the
10 payments required under subsections (b) and (c) have been made,
11 an amount equal to 15% of the adjusted gross receipts of (1) an
12 owners licensee that relocates pursuant to Section 11.2, (2) an
13 owners licensee conducting riverboat gambling operations
14 pursuant to an owners license that is initially issued after
15 June 25, 1999, or (3) the first riverboat gambling operations
16 conducted by a licensed manager on behalf of the State under
17 Section 7.3, whichever comes first, shall be paid from the
18 State Gaming Fund into the Horse Racing Equity Fund.

19 (c-10) Each year the General Assembly shall appropriate
20 from the General Revenue Fund to the Education Assistance Fund
21 an amount equal to the amount paid into the Horse Racing Equity
22 Fund pursuant to subsection (c-5) in the prior calendar year.

23 (c-15) After the payments required under subsections (b),
24 (c), and (c-5) have been made, an amount equal to 2% of the
25 adjusted gross receipts of (1) an owners licensee that
26 relocates pursuant to Section 11.2, (2) an owners licensee

1 conducting riverboat gambling operations pursuant to an owners
2 license that is initially issued after June 25, 1999, or (3)
3 the first riverboat gambling operations conducted by a licensed
4 manager on behalf of the State under Section 7.3, whichever
5 comes first, shall be paid, subject to appropriation from the
6 General Assembly, from the State Gaming Fund to each home rule
7 county with a population of over 3,000,000 inhabitants for the
8 purpose of enhancing the county's criminal justice system.

9 (c-20) Each year the General Assembly shall appropriate
10 from the General Revenue Fund to the Education Assistance Fund
11 an amount equal to the amount paid to each home rule county
12 with a population of over 3,000,000 inhabitants pursuant to
13 subsection (c-15) in the prior calendar year.

14 (c-25) On July 1, 2013 and each July 1 thereafter,
15 \$1,600,000 shall be transferred from the State Gaming Fund to
16 the Chicago State University Education Improvement Fund.

17 (c-30) On July 1, 2013 or as soon as possible thereafter,
18 \$92,000,000 shall be transferred from the State Gaming Fund to
19 the School Infrastructure Fund and \$23,000,000 shall be
20 transferred from the State Gaming Fund to the Horse Racing
21 Equity Fund.

22 (c-35) Beginning on July 1, 2013, in addition to any amount
23 transferred under subsection (c-30) of this Section,
24 \$5,530,000 shall be transferred monthly from the State Gaming
25 Fund to the School Infrastructure Fund.

26 (d) From time to time, the Board shall transfer the

1 remainder of the funds generated by this Act into the Education
2 Assistance Fund, created by Public Act 86-0018, of the State of
3 Illinois.

4 (e) Nothing in this Act shall prohibit the unit of local
5 government designated as the home dock of the riverboat from
6 entering into agreements with other units of local government
7 in this State or in other states to share its portion of the
8 tax revenue.

9 (f) To the extent practicable, the Board shall administer
10 and collect the wagering taxes imposed by this Section in a
11 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
12 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
13 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
14 Penalty and Interest Act.

15 (Source: P.A. 98-18, eff. 6-7-13.)