

SB2139



99TH GENERAL ASSEMBLY

State of Illinois

2015 and 2016

SB2139

Introduced 5/25/2015, by Sen. Michael Noland

SYNOPSIS AS INTRODUCED:

230 ILCS 10/13

from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Provides that an owners licensee that conducted gambling operations prior to January 1, 2015 shall receive a dollar-for-dollar credit against the taxes imposed by the Act for any money paid to a local government or charitable organization. Effective immediately.

LRB099 12554 MLM 36028 b

FISCAL NOTE ACT
MAY APPLY

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 Section 13 as follows:

6 (230 ILCS 10/13) (from Ch. 120, par. 2413)

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

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

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

16 15% of annual adjusted gross receipts up to and
17 including \$25,000,000;

18 20% of annual adjusted gross receipts in excess of
19 \$25,000,000 but not exceeding \$50,000,000;

20 25% of annual adjusted gross receipts in excess of
21 \$50,000,000 but not exceeding \$75,000,000;

22 30% of annual adjusted gross receipts in excess of
23 \$75,000,000 but not exceeding \$100,000,000;

1 35% of annual adjusted gross receipts in excess of
2 \$100,000,000.

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

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

12 22.5% of annual adjusted gross receipts in excess of
13 \$25,000,000 but not exceeding \$50,000,000;

14 27.5% of annual adjusted gross receipts in excess of
15 \$50,000,000 but not exceeding \$75,000,000;

16 32.5% of annual adjusted gross receipts in excess of
17 \$75,000,000 but not exceeding \$100,000,000;

18 37.5% of annual adjusted gross receipts in excess of
19 \$100,000,000 but not exceeding \$150,000,000;

20 45% of annual adjusted gross receipts in excess of
21 \$150,000,000 but not exceeding \$200,000,000;

22 50% of annual adjusted gross receipts in excess of
23 \$200,000,000.

24 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
25 persons engaged in the business of conducting riverboat
26 gambling operations, other than licensed managers conducting

1 riverboat gambling operations on behalf of the State, based on
2 the adjusted gross receipts received by a licensed owner from
3 gambling games authorized under this Act at the following
4 rates:

5 15% of annual adjusted gross receipts up to and
6 including \$25,000,000;

7 27.5% of annual adjusted gross receipts in excess of
8 \$25,000,000 but not exceeding \$37,500,000;

9 32.5% of annual adjusted gross receipts in excess of
10 \$37,500,000 but not exceeding \$50,000,000;

11 37.5% of annual adjusted gross receipts in excess of
12 \$50,000,000 but not exceeding \$75,000,000;

13 45% of annual adjusted gross receipts in excess of
14 \$75,000,000 but not exceeding \$100,000,000;

15 50% of annual adjusted gross receipts in excess of
16 \$100,000,000 but not exceeding \$250,000,000;

17 70% of annual adjusted gross receipts in excess of
18 \$250,000,000.

19 An amount equal to the amount of wagering taxes collected
20 under this subsection (a-3) that are in addition to the amount
21 of wagering taxes that would have been collected if the
22 wagering tax rates under subsection (a-2) were in effect shall
23 be paid into the Common School Fund.

24 The privilege tax imposed under this subsection (a-3) shall
25 no longer be imposed beginning on the earlier of (i) July 1,
26 2005; (ii) the first date after June 20, 2003 that riverboat

1 gambling operations are conducted pursuant to a dormant
2 license; or (iii) the first day that riverboat gambling
3 operations are conducted under the authority of an owners
4 license that is in addition to the 10 owners licenses initially
5 authorized under this Act. For the purposes of this subsection
6 (a-3), the term "dormant license" means an owners license that
7 is authorized by this Act under which no riverboat gambling
8 operations are being conducted on June 20, 2003.

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

17 15% of annual adjusted gross receipts up to and
18 including \$25,000,000;

19 22.5% of annual adjusted gross receipts in excess of
20 \$25,000,000 but not exceeding \$50,000,000;

21 27.5% of annual adjusted gross receipts in excess of
22 \$50,000,000 but not exceeding \$75,000,000;

23 32.5% of annual adjusted gross receipts in excess of
24 \$75,000,000 but not exceeding \$100,000,000;

25 37.5% of annual adjusted gross receipts in excess of
26 \$100,000,000 but not exceeding \$150,000,000;

1 45% of annual adjusted gross receipts in excess of
2 \$150,000,000 but not exceeding \$200,000,000;

3 50% of annual adjusted gross receipts in excess of
4 \$200,000,000.

5 (a-6) An owners licensee that conducted gambling
6 operations prior to January 1, 2015 shall receive a
7 dollar-for-dollar credit against the tax imposed under this
8 Section for any money paid to a local government or charitable
9 organization.

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

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

16 (a-15) If the privilege tax imposed under subsection (a-3)
17 is no longer imposed pursuant to item (i) of the last paragraph
18 of subsection (a-3), then by June 15 of each year, each owners
19 licensee, other than an owners licensee that admitted 1,000,000
20 persons or fewer in calendar year 2004, must, in addition to
21 the payment of all amounts otherwise due under this Section,
22 pay to the Board a reconciliation payment in the amount, if
23 any, by which the licensed owner's base amount exceeds the
24 amount of net privilege tax paid by the licensed owner to the
25 Board in the then current State fiscal year. A licensed owner's
26 net privilege tax obligation due for the balance of the State

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

1 payments required under this Section.

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

3 "Act of God" means an incident caused by the operation of
4 an extraordinary force that cannot be foreseen, that cannot be
5 avoided by the exercise of due care, and for which no person
6 can be held liable.

7 "Base amount" means the following:

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

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

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

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

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

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

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

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

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

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

22 The changes made to this subsection (a-15) by Public Act
23 94-839 are intended to restate and clarify the intent of Public
24 Act 94-673 with respect to the amount of the payments required
25 to be made under this subsection by an owners licensee to the
26 Board.

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

19 (c) Appropriations, as approved by the General Assembly,
20 may be made from the State Gaming Fund to the Board (i) for the
21 administration and enforcement of this Act and the Video Gaming
22 Act, (ii) for distribution to the Department of State Police
23 and to the Department of Revenue for the enforcement of this
24 Act, and (iii) to the Department of Human Services for the
25 administration of programs to treat problem gambling.

26 (c-5) Before May 26, 2006 (the effective date of Public Act

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

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

19 (c-15) After the payments required under subsections (b),
20 (c), and (c-5) have been made, an amount equal to 2% of the
21 adjusted gross receipts of (1) an owners licensee that
22 relocates pursuant to Section 11.2, (2) an owners licensee
23 conducting riverboat gambling operations pursuant to an owners
24 license that is initially issued after June 25, 1999, or (3)
25 the first riverboat gambling operations conducted by a licensed
26 manager on behalf of the State under Section 7.3, whichever

1 comes first, shall be paid, subject to appropriation from the
2 General Assembly, from the State Gaming Fund to each home rule
3 county with a population of over 3,000,000 inhabitants for the
4 purpose of enhancing the county's criminal justice system.

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

10 (c-25) On July 1, 2013 and each July 1 thereafter,
11 \$1,600,000 shall be transferred from the State Gaming Fund to
12 the Chicago State University Education Improvement Fund.

13 (c-30) On July 1, 2013 or as soon as possible thereafter,
14 \$92,000,000 shall be transferred from the State Gaming Fund to
15 the School Infrastructure Fund and \$23,000,000 shall be
16 transferred from the State Gaming Fund to the Horse Racing
17 Equity Fund.

18 (c-35) Beginning on July 1, 2013, in addition to any amount
19 transferred under subsection (c-30) of this Section,
20 \$5,530,000 shall be transferred monthly from the State Gaming
21 Fund to the School Infrastructure Fund.

22 (d) From time to time, the Board shall transfer the
23 remainder of the funds generated by this Act into the Education
24 Assistance Fund, created by Public Act 86-0018, of the State of
25 Illinois.

26 (e) Nothing in this Act shall prohibit the unit of local

1 government designated as the home dock of the riverboat from
2 entering into agreements with other units of local government
3 in this State or in other states to share its portion of the
4 tax revenue.

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

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

12 Section 99. Effective date. This Act takes effect upon
13 becoming law.