

2019 Regular Session

HOUSE BILL NO. 495

BY REPRESENTATIVE ABRAMSON

TAX/GAMING: Levies a state tax on the net gaming proceeds of fantasy sports contests, dedicates the avails of the tax, and authorizes a fee for issuance of certain licenses or permits

1 AN ACT

2 To enact R.S. 27:302(3) and (4) and 306, relative to the taxation of fantasy sports contests;
3 to levy a state tax on certain fantasy sports contests; to authorize a fee for issuance
4 of certain licenses or permits; to provide for definitions; to provide for certain
5 requirements and limitations; to provide for certain conditions; to provide for the
6 disposition of the avails of the tax; to provide for an effective date; and to provide
7 for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. R.S. 27:302(3) and (4) and 306 are hereby enacted to read as follows:

10 §302. Definitions

11 For purposes of this Chapter:

12 * * *

13 (3) "Net gaming proceeds" means the total of all cash and property,
14 including checks received by an operator or licensee, whether collected or not, from
15 gaming operations, less the total of all cash paid out as winnings to patrons.

16 (4) "Operator" or "Licensee" means any person holding or applying for a
17 gaming license or permit that allows the licensee or permittee to administer, conduct,
18 control, or manage fantasy sports contests.

19 * * *

1 §306. Taxation and fees

2 A. There is hereby levied a tax of eight percent upon the net gaming
3 proceeds of fantasy sports contests offered to consumers within this state, which
4 shall be due and payable monthly.

5 B. The annual fee for a fantasy sports contest license or permit shall be five
6 thousand dollars. This fee is required to be submitted to the division on the
7 anniversary date of the issuance of the license or permit.

8 C. The division shall collect all fees, fines, and state taxes imposed or
9 assessed under the provision of this Chapter and under the rules and regulations of
10 the board.

11 D. All fees, fines, revenues, state taxes, and other monies collected by the
12 division shall be forwarded upon receipt to the state treasurer for immediate deposit
13 into the state treasury. Funds so deposited shall first be credited to the Bond Security
14 and Redemption Fund in accordance with Article VII, Section 9(B) of the
15 Constitution of Louisiana. After complying with the provisions of the Bond Security
16 and Redemption Fund, the state treasurer shall disburse the proceeds of the tax as
17 follows:

18 (1) Four percent shall be deposited into the state general fund.

19 (2) Four percent shall be deposited into the Louisiana Early Childhood
20 Education Fund as established in R.S. 17:407.30.

21 E. When the net gaming proceeds for a month are negative because the
22 winnings paid to patrons exceed the operator or licensee's total gross gaming
23 proceeds from fantasy sports contests, the operator or licensee shall be allowed to
24 carry over the negative amounts on returns filed for subsequent months. The negative
25 amount of net gaming proceeds may not be carried back to an earlier month.

26 Section 2. This Act shall become effective on July 1, 2019.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 495 Original

2019 Regular Session

Abramson

Abstract: Authorizes an 8% state tax on net gaming proceeds from fantasy sports contests and dedicates the avails of the tax to the state general fund and the La. Early Childhood Education Fund.

Present law establishes the "Louisiana Fantasy Sports Contests Act" that authorized the electors in the state to determine whether fantasy sports contests are permitted in a particular parish.

Present law defines a "fantasy sports contest" to mean any fantasy or simulation sports game or contest played through the internet or mobile device with all of the following elements:

- (1) Participants create a simulation sports team based on the current membership of actual amateur or professional sports organizations.
- (2) All prizes and awards offered to winning participants are established in advance of the game or contest and the value of the prizes is not determined by the number of participants or the amount of fees paid by participants.
- (3) All winning outcomes reflect the relative knowledge and skill of the participant and are determined by accumulated statistical results of the performance of the individuals.
- (4) No winning outcome is based on the score, point-spread, or any performance or performances of any single real-world team or any combination of teams or on a single performance of an individual athlete in any single realworld sporting or other event.

Present law requires the La. Gaming Control Board to adopt rules necessary to implement, administer, and regulate fantasy sports contests in this state if the electors of a parish approved fantasy sports contests in the parish. Upon adoption of rules by the La. Gaming Control Board and the enactment of laws to provide for the licensing, regulation, and taxation of revenue relative to fantasy sports contests, present law provides the following:

- (1) Authorizes fantasy sports contests only in those parishes that approved the proposition to permit fantasy sports contests in the parish.
- (2) Provides an exception to crimes in present law for gaming and gambling by computer for fantasy sports contests.

Proposed law levies an 8% tax on the net gaming proceeds of fantasy sports contest gaming conducted in the state and provides for the disposition of the avails as follows:

- (1) 4% shall go to the state general fund.
- (2) 4% shall go to the La. Early Childhood Education Fund.

Proposed law provides for a \$5,000 fantasy sports contest license or permit fee.

Proposed law defines net gaming proceeds as the total of all cash and property, including checks received by a licensee or operator, whether collected or not from gaming operations, less the total of all cash paid out as winnings to patrons.

Proposed law requires the tax levied on fantasy sports contests to be collected by the division in the office of state police, which provides investigatory, regulatory, and enforcement services to the La. Gaming control board in the implementation, administration, and enforcement of gaming laws, rules, and regulations.

Proposed law requires all monies to be collected monthly and further provides that when net gaming proceeds for a month are negative, the licensee or operator shall be allowed to carry over the negative amounts to returns filed for subsequent months.

Effective July 1, 2019.

(Adds R.S. 27:302(3) and (4) and 306)