

2019 Regular Session

HOUSE BILL NO. 498

BY REPRESENTATIVE ABRAMSON

TAX/GAMING: Levies a state tax on the net gaming proceeds of sports wagering, dedicates the avails of the tax, and provides for a fee

1 AN ACT

2 To enact Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, to be comprised

3 of R.S. 27:601 through 603, relative to the taxation of sports wagering; to levy a state

4 tax on certain sports wagering; to provide for a fee; to provide for definitions; to

5 provide for certain requirements and limitations; to provide for certain conditions;

6 to provide for the disposition of the avails of the tax; to provide for an effective date;

7 and to provide for related matters.

8 Be it enacted by the Legislature of Louisiana:

9 Section 1. Chapter 10 of Title 27 of the Louisiana Revised Statutes of 1950, to be
10 comprised of R.S. 27:601 through 603, is hereby enacted to read as follows:

11 CHAPTER 10. SPORTS WAGERING

12 §601. Definitions

13 For purposes of this Chapter:

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

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

1 §602. State taxation and fees

2 A. There is hereby levied a state tax of eleven percent upon the net gaming
3 proceeds of sports wagering gaming offered to consumers within this state, which
4 shall be due and payable monthly by the operator or licensee.

5 B. The annual fee for a sports wagering gaming license or permit shall be
6 five 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 provisions 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 credit one percent of the net proceeds
17 of sports wagering gaming, not to exceed one hundred thousand dollars, collected
18 from the operator or licensee to the Compulsive and Problem Gaming Fund
19 established by R.S. 28:842. The division shall transfer monthly to the state treasury
20 for deposit into the Compulsive and Problem Gaming Fund the amount of revenues
21 the provider or licensee withheld and remitted in accordance with this Subsection.
22 After crediting the proceeds to the Compulsive and Problem Gaming Fund, the state
23 treasurer shall each month deposit the remainder of the avails of the taxes collected
24 pursuant to this Section into the Louisiana Early Childhood Education Fund as
25 established in R.S. 17:407.30.

26 E. An amount shall be allocated to the Department of Public Safety and
27 Corrections and to the Department of Justice, pursuant to legislative appropriation,
28 for regulatory, administrative, investigative, enforcement, legal, and other such
29 expenses as may be necessary to carry out the provisions of this Chapter and for

1 activities associated with the enforcement of laws and regulations governing sports
2 wagering gaming.

3 F. When the net gaming proceeds for a month are negative because the
4 winnings paid to patrons exceed the operator or licensee's total gross gaming
5 proceeds from sports wagering, the operator or licensee shall be allowed to carry
6 over the negative amounts on returns filed for subsequent months. The negative
7 amount of net gaming proceeds may not be carried back to an earlier month.

8 §603. Parish taxation

9 A. Parish governing authorities are hereby authorized to levy a tax not to
10 exceed four percent on the net gaming proceeds of sports wagering gaming offered
11 to consumers within their district. Any taxes levied pursuant to this Section shall be
12 collected by the parish governing authority and shall be due and payable monthly by
13 the operator or licensee.

14 B. When the net gaming proceeds for a month are negative because the
15 winnings paid to patrons exceed the operator or licensee's total gross gaming
16 proceeds from sports wagering, the operator or licensee shall be allowed to carry
17 over the negative amounts on returns filed for subsequent months. The negative
18 amount of net gaming proceeds may not be carried back to an earlier month.

19 Section 2. The provisions of this Act shall become effective the day after the
20 effective date of any law enacting sports wagering gaming, including any vote of the electors
21 in which sports wagering gaming is approved at an election held for such purpose.

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 498 Engrossed

2019 Regular Session

Abramson

Abstract: Authorizes an 11% state tax on net gaming proceeds from sports wagering and dedicates the avails of the tax to the state general fund and the Early Childhood Education Fund. Authorizes parish governing authorities to levy a tax not to exceed 4% on the net gaming proceeds from sports wagering offered in their district.

Present federal law overturned the 1992 Professional and Amateur Sports Protection Act, a federal prohibition on professional and amateur single-game sports wagering on May 14,

2018, in the U.S. Supreme Court case *Murphy, Governor of New Jersey v. National Collegiate Athletic Association*. As a result, states are allowed to legalize and regulate sports wagering.

Present constitution prohibits a law authorizing a new form of gaming, gambling, or wagering to be conducted in a parish unless a referendum election on the issue is held in a parish and the proposition is approved by a majority of voters.

Proposed law levies an 11% state tax on the net gaming proceeds of sports wagering conducted in the state and provides for the avails of the tax to go to the La. Early Childhood Education Fund.

Proposed law provides that 1% of the net gaming proceeds of sports wagering gaming, not to exceed \$100,000 annually, shall be credited to the Compulsive and Problem Gaming Fund.

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

Proposed law authorizes parish governing authorities to levy a tax not to exceed 4% on the net gaming proceeds from sports wagering offered in their district.

Proposed law requires the tax levied on sports wagering 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 authorizes the legislature to appropriate funds necessary for the Dept. of Public Safety and Corrections and the Dept. of Justice to administer, regulate, investigate, and enforce laws related to sports wagering gaming.

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.

The effectiveness of proposed law is contingent on a statewide vote authorizing sports wagering gaming in particular parishes.

(Adds R.S. 27:601-603)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Ways and Means to the original bill:

1. Increase the amount of the state tax levied from 8% to 11% of the net gaming proceeds of sports wagering gaming.
2. Provide that 1%, not to exceed \$100,000, of the net gaming proceeds of sports wagering shall be deposited into the Compulsive and Problem Gaming Fund.
3. Authorize the legislature to appropriate funds to the Dept. of Public Safety and Corrections and the Dept. of Justice in order to regulate, administer, investigate, and enforce laws related to sports wagering gaming.