

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 eight 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 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 sports wagering, the operator or licensee shall be allowed to carry
24 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 § 603. Parish taxation

27 A. Parish governing authorities are hereby authorized to levy a tax not to
28 exceed four percent on the net gaming proceeds of sports wagering gaming offered
29 to consumers within their district. Any taxes levied pursuant to this Section shall be

1 collected by the parish governing authority and shall be due and payable monthly by
2 the operator or licensee.

3 B. 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 Section 2. The provisions of this Act shall become effective the day after the
9 effective date of any law enacting sports wagering gaming, including any vote of the electors
10 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 Original

2019 Regular Session

Abramson

Abstract: Authorizes an 8% 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 8% state tax on the net gaming proceeds of sports wagering 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 sports wagering gaming license or permit fee.

Proposed law provides authorization to 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 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, 602, and 603)