

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 75** HLS 26RS 619

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 23, 2026	2:32 PM	Author: JACKSON
Dept./Agy.: Gaming Control Board		Analyst: Mimi Blanchard
Subject: Promotional Play Deductions		

GAMING RE -\$228,420 GF RV See Note Page 1 of 2
Provides for the allowable amount of promotional play offered by certain gaming operators and for deductions regarding promotional play

Current law provides for a deduction of up to \$5 M in promotional play wagers from gaming proceeds and gross revenue for riverboats, racetrack slots and the land-based casino. The deduction must be directly attributable to promotional play.

Proposed law allows for the greater of \$5 M or a phased-in percentage of taxable revenue as a promotional play deduction for racetrack slots. The allowable percentages are: 4% in 2027, 7% in 2028, and 10% in 2029 and thereafter. It is not clear if the new promotional play deduction must be directly attributable to promotional play wagers. Proposed law clarifies that the definition of "promotional play wagers" does not include any locally dedicated funds from net slot machine proceeds.

Effective August 1, 2026.

EXPENDITURES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total						
REVENUES	2026-27	2027-28	2028-29	2029-30	2030-31	5 -YEAR TOTAL
State Gen. Fd.	(\$228,420)	(\$661,556)	(\$680,785)	(\$680,785)	(\$680,785)	(\$2,932,331)
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	(\$2,424)	(\$7,020)	(\$7,224)	(\$7,224)	(\$7,224)	(\$31,116)
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	(\$230,844)	(\$668,576)	(\$688,009)	(\$688,009)	(\$688,009)	(\$2,963,447)

EXPENDITURE EXPLANATION

Proposed law will decrease subsequent dedications from SGF into the Calcasieu Parish Fund. Monies in the Calcasieu Parish Fund are dedicated approximately 60% to the Calcasieu Parish School Board, 30% to McNeese State University, and 10% to Southwest Louisiana (SOWELA) Technical Institution. To the extent the legislature may wish to offset losses to these sources to continue activities at the currently forecasted levels, other MOF may be required (in the range of \$33,000 on an annualized basis), assumed to be SGF for purposes of this fiscal note.

Proposed law further revises the definition of "promotional play wagers" to provide that such wagers do not include locally dedicated funds from net slot machine proceeds. DPS reports that this revision does not alter the fiscal impact of proposed law, as locally dedicated funds are not included within the current definition of promotional play wagers. Under current law, 5% of the state portion of taxable net slot machine proceeds collected from the licensed eligible facility in Calcasieu Parish is credited to the Calcasieu Parish Fund. The decrease reflected in this note results from the reduction in net slot machine proceeds attributable to the increased promotional play deduction, which correspondingly reduces SGF revenues available for distribution.

SEE PAGE 2 FOR DETAILED REVENUE LOSS PER ENTITY.

REVENUE EXPLANATION

Based on FY 25 actual racetrack slot machine collections of \$47.6 M and weighted average gaming fees of 21.5%, DPS estimates that the deduction of promotional play wagers subject to the caps in proposed law would reduce state gaming revenue by approximately \$230,844 in FY 27, \$668,575 in FY 28, and \$688,009 from FY 28 to FY 31. These estimates reflect the value of promotional wagers deducted from gross revenue for state tax and fee purposes, which is projected at \$1.5 M in FY 27 and \$4.4 from FY 28 to FY 31. The bill provides for no carryforward of promotional play deduction so the note assumes all deductions are taken when available.

Scaling this aggregate approach to the official state revenue forecasts of gaming receipts (adopted 5/08/26), the loss of state gaming receipts attributable to the bill is estimated at \$2.9 M SGF and \$31,115 Statutory Dedications from FY 27 to FY 31. A portion of the SGF decrease attributable to racetrack slot machines will ultimately be distributed to individual track-related statutory dedications not fully itemized in this note as not all are impacted, however; the Calcasieu Parish Fund will see a decrease in dedications of approximately \$11,695 in FY 27 and \$33,018 in FY 28 to FY 31. NOTE: The Revenue Estimating Conference does not forecast dedications to this fund for FY 28 and beyond, therefore this fiscal note assumes the same forecasted dedication as FY 27 for FY 28 to FY 31.

REVENUE EXPLANATION CONTINUED ON PAGE 2.

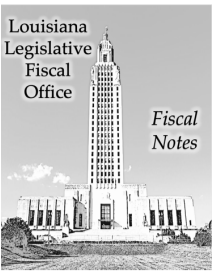
Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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CONTINUED EXPLANATION from page one:

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REVENUE EXPLANATION CONTINUED

NOTE: Act 258 of the 2026 RS authorizes the transfer of unused promotional play deduction capacity between gaming licensees. This may increase the fiscal impact of proposed law to the extent that additional promotional play deductions become usable statewide. DPS reports that enactment of both measures could make approximately \$2.7 M in additional promotional deductions available in FY 28 and approximately \$9.8 M annually beginning in FY 29, which may further reduce state gaming tax collections above the estimates reflected in this fiscal note.

It is possible that increasing the cap on promotional play deductions from the tax base would encourage more use of it by the industry, and attract more taxable play. The fiscal note makes no assumption about increased play due to promotional wagers.

NOTE: Proposed law increases the cap on a calendar year basis, while promotional play credits are based on fiscal year calculations.

Total impact of proposed law listed below:

	FY 27	FY 28	FY 29	FY 30	FY 31	TOTAL DECREASE
SGF	(\$228,420)	(\$661,556)	(\$680,785)	(\$680,785)	(\$680,785)	(\$2,932,332)
Compulsive Gaming	<u>(\$ 2,424)</u>	<u>(\$ 7,020)</u>	<u>(\$ 7,224)</u>	<u>(\$ 7,224)</u>	<u>(\$ 7,224)</u>	<u>(\$ 31,115)</u>
Total	<u>(\$230,844)</u>	<u>(\$668,575)</u>	<u>(\$688,009)</u>	<u>(\$688,009)</u>	<u>(\$688,009)</u>	<u>(\$2,963,447)</u>

Subsequent impact to Calcasieu Parish Fund from SGF loss listed below:

	FY 27	FY 28	FY 29	FY 30	FY 31	TOTAL DECREASE
Calcasieu School Board	(\$7,017)	(\$19,811)	(\$19,811)	(\$19,811)	(\$19,811)	(\$86,261)
McNeese State	(\$3,508)	(\$9,905)	(\$9,905)	(\$9,905)	(\$9,905)	(\$43,128)
SOWELA	<u>(\$1,170)</u>	<u>(\$3,302)</u>	<u>(\$3,302)</u>	<u>(\$3,302)</u>	<u>(\$3,302)</u>	<u>(\$14,378)</u>
Total	<u>(\$11,695)</u>	<u>(\$33,018)</u>	<u>(\$33,018)</u>	<u>(\$33,018)</u>	<u>(\$33,018)</u>	<u>(\$143,767)</u>

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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