

BDR 32-720

SB 266

EXECUTIVE AGENCY FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 24, 2015

Agency Submitting: Gaming Control Board

Items of Revenue or Expense, or Both	Fiscal Year 2014-15	Fiscal Year 2015-16	Fiscal Year 2016-17	Effect on Future Biennia
GL 3031 (decrease) (Revenue)		\$15,700,907	\$15,700,907	\$31,401,815
Total	0	\$15,700,907	\$15,700,907	\$31,401,815

Explanation

(Use Additional Sheets of Attachments, if required)

For Live Entertainment Tax revenues collected by the Gaming Control Board, this BDR as written will result in a decrease in revenue of \$15,700,907.90 in the next fiscal year. The future years use the same figure as it cannot be determined what, if any, changes in venue and types of entertainment might occur. The decrease in revenue is caused by the elimination of live entertainment tax being paid for live entertainment in venues that do not charge an admission fee, such as lounges, restaurants and convention rooms. Of Group 1 licensees (larger casinos), the amount of projected LET paid by 20 gaming licensee with 48 venues was reviewed to obtain an average amount which was applied for a total of approximately 123 venues that do no charge admission fees, which resulted in \$15,665,210 million that would not be paid. For Group 2 licensees (smaller casinos), 24 venues that currently pay live entertainment tax will not pay because they do not charge admission fees, resulting in a reduction of \$35,697.90. The elimination of exemptions under current law will not substantially affect (increase) live entertainment tax revenue collected by the Gaming Control Board because the exemptions eliminated do not occur at gaming establishments.

Name Buffy Brown

Title Sr. Research Specialist

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Monday, March 23, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director