

**EXECUTIVE AGENCY
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: March 31, 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)		\$37,993,023	\$37,993,023	\$75,986,046
Total	0	\$37,993,023	\$37,993,023	\$75,986,046

Explanation

(Use Additional Sheets of Attachments, if required)

For the live entertainment tax revenues collected by the Gaming Control Board, Sections 7 and 17 of this BDR as written will result in a decrease in revenue of \$37,993,023 in the next fiscal year (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 venues that do not charge an admission fee and then a reduction of the tax from 10% on venues less than 7,500 to 8% on the remaining venues that charge an admission fee (few venues at gaming establishments have an occupancy of more than 7,500). Of Group 1 licensees (larger casinos), the amount of projected LET paid by 20 gaming licensees with 48 venues was reviewed to obtain an average amount which was applied for a total of approximately 123 venues that do not charge admission fees, which resulted in \$15,665,210 that would not be paid. Then of the remaining venues that do charge admission fees, the reduction in tax rate to 8% was applied which results in a decrease in revenue collected of \$22,255,125. Finally, the Group 2 licensees would result in only 9 locations which charge admission fees and taking the amount of LET paid by those locations with the reduced rate of 8% which results in a reduction of \$72,688. The elimination of exemptions that exist under current law will not have a substantial impact on the LET paid by gaming establishments because the exempt activities generally do not occur at gaming establishments.

Name Buffy Brown

Title Sr. Research Specialist

DEPARTMENT OF ADMINISTRATION'S COMMENTS

Date Thursday, March 26, 2015

The agency's response appears reasonable.

Name James R. Wells, CPA

Title Interim Director