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FISCAL IMPACT REPORT

SPONSOR:	Robinson	DATE TYPED:	02/07/00	HB	
SHORT TITLE:	Decreasing Gaming Tax Rate - Non Profits			SB	396
				ANALYST:	Robinson

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY00	FY01			
		See Narrative	Recurring	General Fund

(Parenthesis () Indicate Revenue Decreases)

Duplicates/Conflicts with/Companion to/Relates to HB 462

SOURCES OF INFORMATION

Taxation and Revenue Department (TRD)

Gaming Control Board (GCB)

SUMMARY

Synopsis of Bill

This bill reduces the gaming machine tax on net win for veteran and fraternal organizations from the current 25 percent to 15 percent.

Significant Issues

Note these organizations are currently allowed to have up to 15 machines per club.

FISCAL IMPLICATIONS

Veteran and fraternal organizations have shown a delay in operating their gaming machines for a variety of reasons, and there is uncertainty as to the extent of the number and timing of these clubs coming on-line. Recurring General Fund revenue loss could be as high \$2,900.0 in FY01 and \$3,200.0 for a full year, based on assuming 80 clubs with 1,200 machines operating at the end of FY01. This assumes that all clubs would have the maximum of 15 machines.

GCB believes that clubs may, on average, have approximately only 7 machines per club, which would lead to a lower General Fund revenue impact. However, this type of incentive may encourage the clubs to install the full allocation.

TECHNICAL ISSUES

An effective date of July 1, 2000 would make this bill easier to administer. The percent of distribution for charitable or educational purposes may need to be adjusted.

AW/gm