

SB0550



94TH GENERAL ASSEMBLY
State of Illinois
2005 and 2006
SB0550

Introduced 2/17/2005, by Sen. John J. Cullerton

SYNOPSIS AS INTRODUCED:

30 ILCS 105/5.490 rep.
230 ILCS 5/54 rep.
230 ILCS 10/13

from Ch. 120, par. 2413

Amends the State Finance Act, the Horse Racing Act of 1975, and the Riverboat Gambling Act. Eliminates the Horse Racing Equity Fund. In the Riverboat Gambling Act, makes technical changes of a revisory nature. Effective immediately.

LRB094 09678 AMC 39934 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning gaming.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 (30 ILCS 105/5.490 rep.)

5 Section 5. The State Finance Act is amended by repealing
6 Section 5.490.

7 (230 ILCS 5/54 rep.)

8 Section 10. The Illinois Horse Racing Act of 1975 is
9 amended by repealing Section 54.

10 Section 15. The Riverboat Gambling Act is amended by
11 changing Section 13 as follows:

12 (230 ILCS 10/13) (from Ch. 120, par. 2413)

13 Sec. 13. Wagering tax; rate; distribution.

14 (a) Until January 1, 1998, a tax is imposed on the adjusted
15 gross receipts received from gambling games authorized under
16 this Act at the rate of 20%.

17 (a-1) From January 1, 1998 until July 1, 2002, a privilege
18 tax is imposed on persons engaged in the business of conducting
19 riverboat gambling operations, based on the adjusted gross
20 receipts received by a licensed owner from gambling games
21 authorized under this Act at the following rates:

22 15% of annual adjusted gross receipts up to and
23 including \$25,000,000;

24 20% of annual adjusted gross receipts in excess of
25 \$25,000,000 but not exceeding \$50,000,000;

26 25% of annual adjusted gross receipts in excess of
27 \$50,000,000 but not exceeding \$75,000,000;

28 30% of annual adjusted gross receipts in excess of
29 \$75,000,000 but not exceeding \$100,000,000;

30 35% of annual adjusted gross receipts in excess of

1 \$100,000,000.

2 (a-2) From July 1, 2002 until July 1, 2003, a privilege tax
3 is imposed on persons engaged in the business of conducting
4 riverboat gambling operations, other than licensed managers
5 conducting riverboat gambling operations on behalf of the
6 State, based on the adjusted gross receipts received by a
7 licensed owner from gambling games authorized under this Act at
8 the following rates:

9 15% of annual adjusted gross receipts up to and
10 including \$25,000,000;

11 22.5% of annual adjusted gross receipts in excess of
12 \$25,000,000 but not exceeding \$50,000,000;

13 27.5% of annual adjusted gross receipts in excess of
14 \$50,000,000 but not exceeding \$75,000,000;

15 32.5% of annual adjusted gross receipts in excess of
16 \$75,000,000 but not exceeding \$100,000,000;

17 37.5% of annual adjusted gross receipts in excess of
18 \$100,000,000 but not exceeding \$150,000,000;

19 45% of annual adjusted gross receipts in excess of
20 \$150,000,000 but not exceeding \$200,000,000;

21 50% of annual adjusted gross receipts in excess of
22 \$200,000,000.

23 (a-3) Beginning July 1, 2003, a privilege tax is imposed on
24 persons engaged in the business of conducting riverboat
25 gambling operations, other than licensed managers conducting
26 riverboat gambling operations on behalf of the State, based on
27 the adjusted gross receipts received by a licensed owner from
28 gambling games authorized under this Act at the following
29 rates:

30 15% of annual adjusted gross receipts up to and
31 including \$25,000,000;

32 27.5% of annual adjusted gross receipts in excess of
33 \$25,000,000 but not exceeding \$37,500,000;

34 32.5% of annual adjusted gross receipts in excess of
35 \$37,500,000 but not exceeding \$50,000,000;

36 37.5% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$75,000,000;
2 45% of annual adjusted gross receipts in excess of
3 \$75,000,000 but not exceeding \$100,000,000;
4 50% of annual adjusted gross receipts in excess of
5 \$100,000,000 but not exceeding \$250,000,000;
6 70% of annual adjusted gross receipts in excess of
7 \$250,000,000.

8 An amount equal to the amount of wagering taxes collected
9 under this subsection (a-3) that are in addition to the amount
10 of wagering taxes that would have been collected if the
11 wagering tax rates under subsection (a-2) were in effect shall
12 be paid into the Common School Fund.

13 The privilege tax imposed under this subsection (a-3) shall
14 no longer be imposed beginning on the earlier of (i) July 1,
15 2005; (ii) the first date after June 20, 2003 ~~the effective~~
16 ~~date of this amendatory Act of the 93rd General Assembly~~ that
17 riverboat gambling operations are conducted pursuant to a
18 dormant license; or (iii) the first day that riverboat gambling
19 operations are conducted under the authority of an owners
20 license that is in addition to the 10 owners licenses initially
21 authorized under this Act. For the purposes of this subsection
22 (a-3), the term "dormant license" means an owners license that
23 is authorized by this Act under which no riverboat gambling
24 operations are being conducted on June 20, 2003 ~~the effective~~
25 ~~date of this amendatory Act of the 93rd General Assembly~~.

26 (a-4) Beginning on the first day on which the tax imposed
27 under subsection (a-3) is no longer imposed, a privilege tax is
28 imposed on persons engaged in the business of conducting
29 riverboat gambling operations, other than licensed managers
30 conducting riverboat gambling operations on behalf of the
31 State, based on the adjusted gross receipts received by a
32 licensed owner from gambling games authorized under this Act at
33 the following rates:

34 15% of annual adjusted gross receipts up to and
35 including \$25,000,000;
36 22.5% of annual adjusted gross receipts in excess of

1 \$25,000,000 but not exceeding \$50,000,000;

2 27.5% of annual adjusted gross receipts in excess of
3 \$50,000,000 but not exceeding \$75,000,000;

4 32.5% of annual adjusted gross receipts in excess of
5 \$75,000,000 but not exceeding \$100,000,000;

6 37.5% of annual adjusted gross receipts in excess of
7 \$100,000,000 but not exceeding \$150,000,000;

8 45% of annual adjusted gross receipts in excess of
9 \$150,000,000 but not exceeding \$200,000,000;

10 50% of annual adjusted gross receipts in excess of
11 \$200,000,000.

12 (a-8) Riverboat gambling operations conducted by a
13 licensed manager on behalf of the State are not subject to the
14 tax imposed under this Section.

15 (a-10) The taxes imposed by this Section shall be paid by
16 the licensed owner to the Board not later than 3:00 o'clock
17 p.m. of the day after the day when the wagers were made.

18 (b) Until January 1, 1998, 25% of the tax revenue deposited
19 in the State Gaming Fund under this Section shall be paid,
20 subject to appropriation by the General Assembly, to the unit
21 of local government which is designated as the home dock of the
22 riverboat. Beginning January 1, 1998, from the tax revenue
23 deposited in the State Gaming Fund under this Section, an
24 amount equal to 5% of adjusted gross receipts generated by a
25 riverboat shall be paid monthly, subject to appropriation by
26 the General Assembly, to the unit of local government that is
27 designated as the home dock of the riverboat. From the tax
28 revenue deposited in the State Gaming Fund pursuant to
29 riverboat gambling operations conducted by a licensed manager
30 on behalf of the State, an amount equal to 5% of adjusted gross
31 receipts generated pursuant to those riverboat gambling
32 operations shall be paid monthly, subject to appropriation by
33 the General Assembly, to the unit of local government that is
34 designated as the home dock of the riverboat upon which those
35 riverboat gambling operations are conducted.

36 (c) Appropriations, as approved by the General Assembly,

1 may be made from the State Gaming Fund to the Department of
2 Revenue and the Department of State Police for the
3 administration and enforcement of this Act, or to the
4 Department of Human Services for the administration of programs
5 to treat problem gambling.

6 (c-5) (Blank). ~~After the payments required under~~
7 ~~subsections (b) and (c) have been made, an amount equal to 15%~~
8 ~~of the adjusted gross receipts of (1) an owners licensee that~~
9 ~~relocates pursuant to Section 11.2, (2) an owners license~~
10 ~~conducting riverboat gambling operations pursuant to an owners~~
11 ~~license that is initially issued after June 25, 1999, or (3)~~
12 ~~the first riverboat gambling operations conducted by a licensed~~
13 ~~manager on behalf of the State under Section 7.2, whichever~~
14 ~~comes first, shall be paid from the State Gaming Fund into the~~
15 ~~Horse Racing Equity Fund.~~

16 (c-10) Each year the General Assembly shall appropriate
17 from the General Revenue Fund to the Education Assistance Fund
18 an amount equal to 15% of the adjusted gross receipts of (1) an
19 owners licensee that relocates pursuant to Section 11.2, (2) an
20 owners licensee conducting riverboat gambling operations
21 pursuant to an owners license that is initially issued after
22 June 25, 1999, or (3) the first riverboat gambling operations
23 conducted by a licensed manager on behalf of the State under
24 Section 7.3, whichever comes first, ~~the amount paid into the~~
25 ~~Horse Racing Equity Fund pursuant to subsection (c-5) in the~~
26 prior calendar year.

27 (c-15) After the payments required under subsections (b),
28 (c), and (c-5) have been made, an amount equal to 2% of the
29 adjusted gross receipts of (1) an owners licensee that
30 relocates pursuant to Section 11.2, (2) an owners licensee
31 conducting riverboat gambling operations pursuant to an owners
32 license that is initially issued after June 25, 1999, or (3)
33 the first riverboat gambling operations conducted by a licensed
34 manager on behalf of the State under Section 7.3 ~~7.2~~, whichever
35 comes first, shall be paid, subject to appropriation from the
36 General Assembly, from the State Gaming Fund to each home rule

1 county with a population of over 3,000,000 inhabitants for the
2 purpose of enhancing the county's criminal justice system.

3 (c-20) Each year the General Assembly shall appropriate
4 from the General Revenue Fund to the Education Assistance Fund
5 an amount equal to the amount paid to each home rule county
6 with a population of over 3,000,000 inhabitants pursuant to
7 subsection (c-15) in the prior calendar year.

8 (c-25) After the payments required under subsections (b),
9 (c), (c-5) and (c-15) have been made, an amount equal to 2% of
10 the adjusted gross receipts of (1) an owners licensee ~~license~~
11 that relocates pursuant to Section 11.2, (2) an owners licensee
12 ~~license~~ conducting riverboat gambling operations pursuant to
13 an owners license that is initially issued after June 25, 1999,
14 or (3) the first riverboat gambling operations conducted by a
15 licensed manager on behalf of the State under Section 7.3 ~~7.2~~,
16 whichever comes first, shall be paid from the State Gaming Fund
17 to Chicago State University.

18 (d) From time to time, the Board shall transfer the
19 remainder of the funds generated by this Act into the Education
20 Assistance Fund, created by Public Act 86-0018, of the State of
21 Illinois.

22 (e) Nothing in this Act shall prohibit the unit of local
23 government designated as the home dock of the riverboat from
24 entering into agreements with other units of local government
25 in this State or in other states to share its portion of the
26 tax revenue.

27 (f) To the extent practicable, the Board shall administer
28 and collect the wagering taxes imposed by this Section in a
29 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
30 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
31 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
32 Penalty and Interest Act.

33 (Source: P.A. 92-595, eff. 6-28-02; 93-27, eff. 6-20-03; 93-28,
34 eff. 6-20-03; revised 1-28-04.)

35 Section 99. Effective date. This Act takes effect upon

1 becoming law.