



96TH GENERAL ASSEMBLY

State of Illinois

2009 and 2010

SB3542

Introduced 2/10/2010, by Sen. Mike Jacobs

SYNOPSIS AS INTRODUCED:

230 ILCS 10/12	from Ch. 120, par. 2412
230 ILCS 10/13	from Ch. 120, par. 2413

Amends the Riverboat Gambling Act. Provides that, if the licensed owner of a riverboat in operation on January 1, 2009 has a capital project of at least \$75,000,000 that is approved by the Illinois Gaming Board in calendar years 2006 through 2009, then no admissions tax is imposed on admissions to that riverboat. Provides that, if no admissions tax is imposed on admissions to a riverboat, then in addition to the current privilege tax, a privilege tax of 1% of adjusted gross receipts is imposed on that riverboat, the proceeds of which shall be paid monthly to the unit of local government that is designated as the home dock of the riverboat upon which those riverboat gambling operations are conducted. Effective immediately.

LRB096 18632 AMC 34015 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 Section 5. The Riverboat Gambling Act is amended by
5 changing Sections 12 and 13 as follows:

6 (230 ILCS 10/12) (from Ch. 120, par. 2412)

7 Sec. 12. Admission tax; fees.

8 (a) A tax is hereby imposed upon admissions to riverboats
9 operated by licensed owners authorized pursuant to this Act.
10 Until July 1, 2002, the rate is \$2 per person admitted. From
11 July 1, 2002 until July 1, 2003, the rate is \$3 per person
12 admitted. From July 1, 2003 until the effective date of this
13 amendatory Act of the 94th General Assembly, for a licensee
14 that admitted 1,000,000 persons or fewer in the previous
15 calendar year, the rate is \$3 per person admitted; for a
16 licensee that admitted more than 1,000,000 but no more than
17 2,300,000 persons in the previous calendar year, the rate is \$4
18 per person admitted; and for a licensee that admitted more than
19 2,300,000 persons in the previous calendar year, the rate is \$5
20 per person admitted. Beginning on the effective date of this
21 amendatory Act of the 94th General Assembly, for a licensee
22 that admitted 1,000,000 persons or fewer in calendar year 2004,
23 the rate is \$2 per person admitted, and for all other licensees

1 the rate is \$3 per person admitted. This admission tax is
2 imposed upon the licensed owner conducting gambling. If the
3 licensed owner of a riverboat in operation on January 1, 2009
4 has a capital project of at least \$75,000,000 that is approved
5 by the Board in calendar years 2006 through 2009, then no
6 admissions tax is imposed on admissions to that riverboat.

7 (1) The admission tax shall be paid for each admission,
8 except that a person who exits a riverboat gambling
9 facility and reenters that riverboat gambling facility
10 within the same gaming day shall be subject only to the
11 initial admission tax.

12 (2) (Blank).

13 (3) The riverboat licensee may issue tax-free passes to
14 actual and necessary officials and employees of the
15 licensee or other persons actually working on the
16 riverboat.

17 (4) The number and issuance of tax-free passes is
18 subject to the rules of the Board, and a list of all
19 persons to whom the tax-free passes are issued shall be
20 filed with the Board.

21 (a-5) A fee is hereby imposed upon admissions operated by
22 licensed managers on behalf of the State pursuant to Section
23 7.3 at the rates provided in this subsection (a-5). For a
24 licensee that admitted 1,000,000 persons or fewer in the
25 previous calendar year, the rate is \$3 per person admitted; for
26 a licensee that admitted more than 1,000,000 but no more than

1 2,300,000 persons in the previous calendar year, the rate is \$4
2 per person admitted; and for a licensee that admitted more than
3 2,300,000 persons in the previous calendar year, the rate is \$5
4 per person admitted.

5 (1) The admission fee shall be paid for each admission.

6 (2) (Blank).

7 (3) The licensed manager may issue fee-free passes to
8 actual and necessary officials and employees of the manager
9 or other persons actually working on the riverboat.

10 (4) The number and issuance of fee-free passes is
11 subject to the rules of the Board, and a list of all
12 persons to whom the fee-free passes are issued shall be
13 filed with the Board.

14 (b) From the tax imposed under subsection (a) and the fee
15 imposed under subsection (a-5), a municipality shall receive
16 from the State \$1 for each person embarking on a riverboat
17 docked within the municipality, and a county shall receive \$1
18 for each person embarking on a riverboat docked within the
19 county but outside the boundaries of any municipality. The
20 municipality's or county's share shall be collected by the
21 Board on behalf of the State and remitted quarterly by the
22 State, subject to appropriation, to the treasurer of the unit
23 of local government for deposit in the general fund.

24 (c) The licensed owner shall pay the entire admission tax
25 to the Board and the licensed manager shall pay the entire
26 admission fee to the Board. Such payments shall be made daily.

1 Accompanying each payment shall be a return on forms provided
2 by the Board which shall include other information regarding
3 admissions as the Board may require. Failure to submit either
4 the payment or the return within the specified time may result
5 in suspension or revocation of the owners or managers license.

6 (d) The Board shall administer and collect the admission
7 tax imposed by this Section, to the extent practicable, in a
8 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
9 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9 and 10 of the
10 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
11 Penalty and Interest Act.

12 (Source: P.A. 94-673, eff. 8-23-05; 95-663, eff. 10-11-07.)

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

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

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

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

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

25 20% of annual adjusted gross receipts in excess of

1 \$25,000,000 but not exceeding \$50,000,000;
2 25% of annual adjusted gross receipts in excess of
3 \$50,000,000 but not exceeding \$75,000,000;
4 30% of annual adjusted gross receipts in excess of
5 \$75,000,000 but not exceeding \$100,000,000;
6 35% of annual adjusted gross receipts in excess of
7 \$100,000,000.

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

15 15% of annual adjusted gross receipts up to and
16 including \$25,000,000;
17 22.5% of annual adjusted gross receipts in excess of
18 \$25,000,000 but not exceeding \$50,000,000;
19 27.5% of annual adjusted gross receipts in excess of
20 \$50,000,000 but not exceeding \$75,000,000;
21 32.5% of annual adjusted gross receipts in excess of
22 \$75,000,000 but not exceeding \$100,000,000;
23 37.5% of annual adjusted gross receipts in excess of
24 \$100,000,000 but not exceeding \$150,000,000;
25 45% of annual adjusted gross receipts in excess of
26 \$150,000,000 but not exceeding \$200,000,000;

1 50% of annual adjusted gross receipts in excess of
2 \$200,000,000.

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

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

12 27.5% of annual adjusted gross receipts in excess of
13 \$25,000,000 but not exceeding \$37,500,000;

14 32.5% of annual adjusted gross receipts in excess of
15 \$37,500,000 but not exceeding \$50,000,000;

16 37.5% of annual adjusted gross receipts in excess of
17 \$50,000,000 but not exceeding \$75,000,000;

18 45% of annual adjusted gross receipts in excess of
19 \$75,000,000 but not exceeding \$100,000,000;

20 50% of annual adjusted gross receipts in excess of
21 \$100,000,000 but not exceeding \$250,000,000;

22 70% of annual adjusted gross receipts in excess of
23 \$250,000,000.

24 An amount equal to the amount of wagering taxes collected
25 under this subsection (a-3) that are in addition to the amount
26 of wagering taxes that would have been collected if the

1 wagering tax rates under subsection (a-2) were in effect shall
2 be paid into the Common School Fund.

3 The privilege tax imposed under this subsection (a-3) shall
4 no longer be imposed beginning on the earlier of (i) July 1,
5 2005; (ii) the first date after June 20, 2003 that riverboat
6 gambling operations are conducted pursuant to a dormant
7 license; or (iii) the first day that riverboat gambling
8 operations are conducted under the authority of an owners
9 license that is in addition to the 10 owners licenses initially
10 authorized under this Act. For the purposes of this subsection
11 (a-3), the term "dormant license" means an owners license that
12 is authorized by this Act under which no riverboat gambling
13 operations are being conducted on June 20, 2003.

14 (a-4) Beginning on the first day on which the tax imposed
15 under subsection (a-3) is no longer imposed, a privilege tax is
16 imposed on persons engaged in the business of conducting
17 riverboat gambling operations, other than licensed managers
18 conducting riverboat gambling operations on behalf of the
19 State, based on the adjusted gross receipts received by a
20 licensed owner from gambling games authorized under this Act at
21 the following rates:

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

24 22.5% of annual adjusted gross receipts in excess of
25 \$25,000,000 but not exceeding \$50,000,000;

26 27.5% of annual adjusted gross receipts in excess of

1 \$50,000,000 but not exceeding \$75,000,000;
2 32.5% of annual adjusted gross receipts in excess of
3 \$75,000,000 but not exceeding \$100,000,000;
4 37.5% of annual adjusted gross receipts in excess of
5 \$100,000,000 but not exceeding \$150,000,000;
6 45% of annual adjusted gross receipts in excess of
7 \$150,000,000 but not exceeding \$200,000,000;
8 50% of annual adjusted gross receipts in excess of
9 \$200,000,000.

10 (a-5) If no admissions tax is imposed on admissions to a
11 riverboat under Section 12, then in addition to any other tax
12 imposed under this Section, a privilege tax of 1% of adjusted
13 gross receipts is imposed on that riverboat, the proceeds of
14 which shall be paid monthly, subject to appropriation by the
15 General Assembly, to the unit of local government that is
16 designated as the home dock of the riverboat upon which those
17 riverboat gambling operations are conducted.

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

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

24 (a-15) If the privilege tax imposed under subsection (a-3)
25 is no longer imposed pursuant to item (i) of the last paragraph
26 of subsection (a-3), then by June 15 of each year, each owners

1 licensee, other than an owners licensee that admitted 1,000,000
2 persons or fewer in calendar year 2004, must, in addition to
3 the payment of all amounts otherwise due under this Section,
4 pay to the Board a reconciliation payment in the amount, if
5 any, by which the licensed owner's base amount exceeds the
6 amount of net privilege tax paid by the licensed owner to the
7 Board in the then current State fiscal year. A licensed owner's
8 net privilege tax obligation due for the balance of the State
9 fiscal year shall be reduced up to the total of the amount paid
10 by the licensed owner in its June 15 reconciliation payment.
11 The obligation imposed by this subsection (a-15) is binding on
12 any person, firm, corporation, or other entity that acquires an
13 ownership interest in any such owners license. The obligation
14 imposed under this subsection (a-15) terminates on the earliest
15 of: (i) July 1, 2007, (ii) the first day after the effective
16 date of this amendatory Act of the 94th General Assembly that
17 riverboat gambling operations are conducted pursuant to a
18 dormant license, (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, or (iv) the first day that a
22 licensee under the Illinois Horse Racing Act of 1975 conducts
23 gaming operations with slot machines or other electronic gaming
24 devices. The Board must reduce the obligation imposed under
25 this subsection (a-15) by an amount the Board deems reasonable
26 for any of the following reasons: (A) an act or acts of God,

1 (B) an act of bioterrorism or terrorism or a bioterrorism or
2 terrorism threat that was investigated by a law enforcement
3 agency, or (C) a condition beyond the control of the owners
4 licensee that does not result from any act or omission by the
5 owners licensee or any of its agents and that poses a hazardous
6 threat to the health and safety of patrons. If an owners
7 licensee pays an amount in excess of its liability under this
8 Section, the Board shall apply the overpayment to future
9 payments required under this Section.

10 For purposes of this subsection (a-15):

11 "Act of God" means an incident caused by the operation of
12 an extraordinary force that cannot be foreseen, that cannot be
13 avoided by the exercise of due care, and for which no person
14 can be held liable.

15 "Base amount" means the following:

16 For a riverboat in Alton, \$31,000,000.

17 For a riverboat in East Peoria, \$43,000,000.

18 For the Empress riverboat in Joliet, \$86,000,000.

19 For a riverboat in Metropolis, \$45,000,000.

20 For the Harrah's riverboat in Joliet, \$114,000,000.

21 For a riverboat in Aurora, \$86,000,000.

22 For a riverboat in East St. Louis, \$48,500,000.

23 For a riverboat in Elgin, \$198,000,000.

24 "Dormant license" has the meaning ascribed to it in
25 subsection (a-3).

26 "Net privilege tax" means all privilege taxes paid by a

1 licensed owner to the Board under this Section, less all
2 payments made from the State Gaming Fund pursuant to subsection
3 (b) of this Section.

4 The changes made to this subsection (a-15) by Public Act
5 94-839 are intended to restate and clarify the intent of Public
6 Act 94-673 with respect to the amount of the payments required
7 to be made under this subsection by an owners licensee to the
8 Board.

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

1 (c) Appropriations, as approved by the General Assembly,
2 may be made from the State Gaming Fund to the Department of
3 Revenue and the Department of State Police for the
4 administration and enforcement of this Act and the Video Gaming
5 Act, or to the Department of Human Services for the
6 administration of programs to treat problem gambling.

7 (c-5) Before May 26, 2006 (the effective date of Public Act
8 94-804) and beginning on the effective date of this amendatory
9 Act of the 95th General Assembly, unless any organization
10 licensee under the Illinois Horse Racing Act of 1975 begins to
11 operate a slot machine or video game of chance under the
12 Illinois Horse Racing Act of 1975 or this Act, after the
13 payments required under subsections (b) and (c) have been made,
14 an amount equal to 15% of the adjusted gross receipts of (1) an
15 owners licensee that relocates pursuant to Section 11.2, (2) an
16 owners licensee conducting riverboat gambling operations
17 pursuant to an owners license that is initially issued after
18 June 25, 1999, or (3) the first riverboat gambling operations
19 conducted by a licensed manager on behalf of the State under
20 Section 7.3, whichever comes first, shall be paid from the
21 State Gaming Fund into the Horse Racing Equity Fund.

22 (c-10) Each year the General Assembly shall appropriate
23 from the General Revenue Fund to the Education Assistance Fund
24 an amount equal to the amount paid into the Horse Racing Equity
25 Fund pursuant to subsection (c-5) in the prior calendar year.

26 (c-15) After the payments required under subsections (b),

1 (c), and (c-5) have been made, an amount equal to 2% of the
2 adjusted gross receipts of (1) an owners licensee that
3 relocates pursuant to Section 11.2, (2) an owners licensee
4 conducting riverboat gambling operations pursuant to an owners
5 license that is initially issued after June 25, 1999, or (3)
6 the first riverboat gambling operations conducted by a licensed
7 manager on behalf of the State under Section 7.3, whichever
8 comes first, shall be paid, subject to appropriation from the
9 General Assembly, from the State Gaming Fund to each home rule
10 county with a population of over 3,000,000 inhabitants for the
11 purpose of enhancing the county's criminal justice system.

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

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

1 (d) From time to time, the Board shall transfer the
2 remainder of the funds generated by this Act into the Education
3 Assistance Fund, created by Public Act 86-0018, of the State of
4 Illinois.

5 (e) Nothing in this Act shall prohibit the unit of local
6 government designated as the home dock of the riverboat from
7 entering into agreements with other units of local government
8 in this State or in other states to share its portion of the
9 tax revenue.

10 (f) To the extent practicable, the Board shall administer
11 and collect the wagering taxes imposed by this Section in a
12 manner consistent with the provisions of Sections 4, 5, 5a, 5b,
13 5c, 5d, 5e, 5f, 5g, 5i, 5j, 6, 6a, 6b, 6c, 8, 9, and 10 of the
14 Retailers' Occupation Tax Act and Section 3-7 of the Uniform
15 Penalty and Interest Act.

16 (Source: P.A. 95-331, eff. 8-21-07; 95-1008, eff. 12-15-08;
17 96-37, eff. 7-13-09.)

18 Section 99. Effective date. This Act takes effect upon
19 becoming law.