



New Jersey Division of Gaming Enforcement
Atlantic City Gaming Industry
Summary of Casino and Atlantic City Taxes and Fees

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Report date August 22, 2017

Casino and Atlantic City Specific Taxes and Fees
Year-to-Date 2017
(\$ in Thousands)

Current Year	Casino Specific Taxes and Fees							Atlantic City Taxes and Fees		Total
	Gross Revenue Tax	Internet Gross Revenue Tax	CRDA Obligations	Parking Fees	Hotel Room Fees (a)	Progressive Slot Tax	Expired Vouchers	Luxury Tax	Tourism Promo Fee	
January	13,655	2,821	2,793	1,451		159	22	1,770	549	23,220
February	13,590	2,810	2,802	1,448		160	27	1,620	542	22,999
March	14,637	3,264	3,045	1,603		151	29	1,925	625	25,279
1st Quarter	41,882	8,895	8,640	4,502	2,480	470	78	5,315	1,716	73,978
April	13,937	3,125	2,907	1,680		177	33	2,467	503	24,829
May	15,202	3,163	3,131	1,654		188	29	2,315	650	26,332
June	14,150	3,038	2,975	1,752		160	32	3,301	846	26,254
2nd Quarter	43,289	9,326	9,013	5,086	2,796	525	94	8,083	1,999	80,211
July										-
August										-
September										-
3rd Quarter					-					-
October										-
November										-
December										-
4th Quarter	-	-	-	-	-	-	-	-	-	-
YTD Total	85,171	18,221	17,653	9,588	5,276	995	172	13,398	3,715	154,189

NOTE: Amounts unaudited and subject to change.

(a) Hotel Room Fees are paid quarterly.

Casino and Atlantic City Specific Taxes and Fees
From Inception of Casino Gaming in 1978 through 2016
(\$ in Thousands)

Calendar Year	Casino Specific Taxes and Fees									Atlantic City Taxes and Fees		Total
	Gross Revenue Tax	Internet Gross Revenue Tax	CRDA Obligations	Parking Fees	Hotel Room Fees	Progressive Slot Tax	Comp Tax	Net Income Tax	Expired Vouchers	Luxury Tax	Tourism Promo Fee	
1978-1999	4,420,538	-	733,780	98,357	-	-	-	-	-	280,864	53,826	5,587,365
2000	342,022		53,754	14,935						17,589	8,303	436,603
2001	342,336		53,787	15,146						16,546	8,337	436,152
2002	348,731		54,768	15,668						18,883	8,576	446,626
2003	358,459		56,009	24,508	7,036	3,028	13,257	10,878		18,189	9,363	500,727
2004	384,579		60,091	33,394	14,229	5,836	26,334	25,363		21,322	9,900	581,048
2005	401,462		62,728	35,104	14,856	6,121	27,145	21,756		26,247	10,556	605,975
2006	417,528		65,239	37,087	14,969	5,415	22,396	9,737		27,282	10,368	610,021
2007	393,707		61,517	35,860	14,541	4,346	15,415			27,977	10,257	563,620
2008	360,250		56,819	34,398	15,171	4,145	9,429			27,608	10,460	518,280
2009	295,309		49,289	31,477	15,228	3,487	3,024		3,007	26,374	10,697	437,892
2010	260,940		44,565	29,816	15,382	3,326			4,397	28,479	9,940	396,845
2011	236,129		41,474	28,427	15,446	3,145			507	31,515	10,573	367,216
2012	216,725		38,114	28,782	15,618	2,932			577	35,486	10,794	349,028
2013	203,965	1,256	35,953	27,907	15,638	3,098			554	35,519	10,822	334,712
2014	186,910	18,465	35,783	24,622	14,039	2,951			506	34,751	9,818	327,845
2015	174,670	22,354	33,905	21,207	11,856	2,106			430	30,006	8,296	304,830
2016	175,719	29,528	34,988	20,405	11,511	2,252			359	29,204	8,248	312,214
Total	9,519,979	71,603	1,572,563	557,100	195,520	52,188	117,000	67,734	10,337	733,841	219,134	13,116,999

NOTE: Certain amounts unaudited and subject to change.

The notes on the following page are integral to understanding the financial information contained in the table. The notes provide a description and source of the data.

New Jersey Division of Gaming Enforcement
Atlantic City Gaming Industry
Casino and Atlantic City Taxes and Fees

This report identifies the state-imposed taxes and fees specific to Atlantic City casinos and Atlantic City-based businesses. This report excludes taxes and fees imposed on New Jersey businesses state-wide (i.e., payroll taxes, income taxes, state occupancy fee, sales and use tax, etc.) and non-state level taxes (i.e., property taxes, federal taxes, etc.).

Description of Tax and Fee:

Gross Revenue Tax: 8% tax on Casino Gross Revenue, which is deposited into the Casino Revenue Fund. Beginning August 14, 2008, casinos were permitted to take a deduction for Eligible Promotional Gaming Credits for purposes of calculating Taxable Casino Gross Revenue.

Internet Gross Revenue Tax: 15% tax on Internet Gross Revenue, which is deposited into the Casino Revenue Fund (commenced November 2013).

CRDA Obligations: 1.25% of Casino Gross Revenue and 2.5% of Internet Gross Revenue to the Casino Reinvestment Development Authority (CRDA).

Parking Fees: From July 1993 to June 2003, casinos collected a \$2.00 fee for each parked vehicle, of which, \$1.50 was deposited into the Casino Revenue Fund and \$0.50 was retained by the casino licensee. From July 2003 to June 2006, casinos collected a \$3.00 fee, of which, \$1.50 was deposited into the Casino Revenue Fund and \$1.50 was distributed to CRDA. Effective July 2006, \$0.50 of each \$3.00 Parking Fee is deposited into the Casino Revenue Fund and \$2.50 is distributed to CRDA.

Hotel Room Fee: From July 2003 to June 2004, casinos collected a \$3.00 fee for each occupied hotel room night, which was deposited into the Casino Revenue Fund. In 2004, \$93 million in CRDA Hotel Room Fee Revenue Bonds were issued. Effective July 1, 2006, following the satisfaction of debt service on those bonds, \$2.00 of each \$3.00 Hotel Room Fee was deposited into the Casino Revenue Fund and \$1.00 is distributed to CRDA. The Hotel Room Fee is paid quarterly.

Tax on Multi-Casino Progressive Slot Machine Revenue (Progressive Slot Tax): Effective July 1, 2003, slot machine companies (not casinos) that operate multi-casino progressive slot systems pay an 8% tax on revenues derived from operating progressive slot machine systems in Atlantic City. The Progressive Slot Tax is deposited into the Casino Revenue Fund.

Tax on Casino Complimentaries (Comp Tax): Effective July 1, 2003, the Comp Tax raised a fixed \$26 million for state fiscal years 2004 through 2006, \$19.5 million for state fiscal year 2007, \$13 million for state fiscal year 2008, and \$6.5 million for state fiscal year 2009, at which point the tax expired. Any overpayments in a state fiscal year were credited in the subsequent fiscal year. The tax raised \$117 million in total between calendar 2003 and 2009. The Comp Tax proceeds were deposited into the Casino Revenue Fund.

Net Income Tax: For state fiscal years 2004 through 2006, casinos were required to pay a 7.5% tax on net income plus management fees based on calendar 2002 operating results. The maximum amount paid by casinos under common ownership was \$10 million. The tax expired at the end of FY 2006. Net Income Tax proceeds were deposited into the Casino Revenue Fund.

Expired Gaming-Related Obligations (Expired Vouchers): Effective April 8, 2009, 25% of expired slot machine vouchers are deposited into the Casino Revenue Fund. For the years prior to the effective date, Casino Licensees were billed during 2009 and 2010 for 50% of expired vouchers.

Luxury Tax: The Luxury Tax applies to receipts from specified retail sales within Atlantic City, including alcoholic beverages, hotel room rentals, and cover charges for entertainment. The tax rate is 3% on alcoholic beverages sold by the drink and 9% on other taxable sales (subject to a 13% maximum rate when combined with the NJ Sales and Use Tax). Proceeds from the Luxury Tax support debt service on Luxury Tax bonds and the operation of the AC Convention Center and Boardwalk Hall.

Tourism Promotion Fee: \$2 fee per occupied room per night that is paid by casino hotel guests; \$1 fee per occupied room per night that is paid by non-casino hotel guests. The Tourism Promotion Fee supports the operation of the Atlantic City Convention and Visitors Association (now under CRDA).

SOURCES:

Gross Revenue Tax, CRDA Obligations, Internet Gross Revenue Tax, and Expired Vouchers: NJ Division of Gaming Enforcement

Parking Fee: NJ Casino Control Commission (CCC)

Progressive Slot Tax and Hotel Room Fee: NJ Division of Taxation

Luxury Tax and Tourism Promotion Fee: NJ Office of Management and Budget, Legislative Manual