



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

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Gaming and Atlantic City Specific Taxes and Fees
Year-to-Date 2018
(\$ in Thousands)

| Current Year | Gaming/Casino Specific Taxes and Fees | | | | | | | | | | | Atlantic City Taxes and Fees | | Total | |
|--------------------|---------------------------------------|--------------------------------|----------------------------|-----------------------------|----------------------|---------------------|---------------|---------------|---------------------|----------------------|------------------|------------------------------|---------------|--------------|-------------------|
| | 8% Gross Revenue Tax | 15% Internet Gross Revenue Tax | 8.5% Retail Sports Tax (a) | 13% Internet Sports Tax (a) | CRDA Obligations (b) | 1.25% Add'l Tax (b) | 1.25% EDT (b) | Parking Fees | Hotel Room Fees (b) | Progressive Slot Tax | Expired Vouchers | Dormant Accounts | Luxury Tax | | Tourism Promo Fee |
| January | 11,933 | 3,300 | | | | | | 1,345 | | 118 | 22 | 32 | 1,133 | 380 | 18,263 |
| February | 12,470 | 3,302 | | | | | 1,386 | | 144 | 28 | 48 | 4,395 | 1,251 | 23,024 | |
| March | 14,244 | 3,840 | | | | | 1,593 | | 262 | 30 | 23 | 2,678 | 627 | 23,297 | |
| 1st Quarter | 38,647 | 10,442 | | | 8,308 | | | 4,324 | 2,443 | 524 | 80 | 103 | 8,206 | 2,258 | 75,335 |
| April | 14,127 | 3,457 | | | | | 1,595 | | 142 | 30 | 29 | 2,297 | 622 | 22,299 | |
| May | 14,074 | 3,652 | | | | | 1,676 | | 133 | 29 | 28 | 2,559 | 638 | 22,789 | |
| June | 15,112 | 3,409 | 194 | | | | 1,829 | | 175 | 32 | 28 | 3,674 | 721 | 25,174 | |
| 2nd Quarter | 43,313 | 10,518 | 194 | | 9,150 | 15 | | 5,100 | 2,745 | 450 | 91 | 85 | 8,530 | 1,981 | 82,172 |
| July | 19,174 | 3,890 | 428 | | | | 2,708 | | 190 | 39 | 19 | 4,919 | 893 | 32,260 | |
| August | 19,171 | 3,726 | 517 | 406 | | | 2,622 | | 211 | 37 | 26 | 5,065 | 892 | 32,673 | |
| September | 16,556 | 3,867 | 969 | 1,633 | | | 1,815 | | 158 | 32 | 24 | 3,225 | 735 | 29,014 | |
| 3rd Quarter | 54,901 | 11,483 | 1,914 | 2,039 | 11,592 | 267 | 224 | 7,145 | 3,667 | 559 | 108 | 69 | 13,209 | 2,520 | 109,697 |
| October | 14,401 | 4,017 | 233 | 1,149 | | | 1,794 | | 133 | 25 | 34 | 2,904 | 758 | 25,448 | |
| November | 14,928 | 4,047 | 571 | 1,886 | | | 1,807 | | 122 | 25 | 35 | 2,454 | 635 | 26,510 | |
| December | 15,038 | 4,355 | 524 | 1,911 | | | 1,791 | | 146 | 25 | 30 | 1,914 | 512 | 26,246 | |
| 4th Quarter | 44,367 | 12,419 | 1,328 | 4,946 | 9,806 | 345 | 326 | 5,392 | 2,922 | 401 | 75 | 99 | 7,272 | 1,905 | 91,603 |
| YTD Total | 181,228 | 44,862 | 3,436 | 6,985 | 38,856 | 627 | 550 | 21,961 | 11,777 | 1,934 | 354 | 356 | 37,217 | 8,664 | 358,807 |

NOTE: Amounts unaudited and subject to change.

(a) Sports Wagering Gross Revenue Tax includes the 8.5% and 13% taxes on Casino licensees and Racetrack Licensees.

(b) Hotel Room Fees, CRDA Obligations, 1.25% Additional Tax, 1.25% EDT are paid quarterly.

Casino and Atlantic City Specific Taxes and Fees
From Inception of Casino Gaming in 1978 through 2018
(\$ in Thousands)

| Calendar Year | Casino Specific Taxes and Fees | | | | | | | | | | | | | Atlantic City Taxes and Fees | | Total | |
|---------------|--------------------------------|--------------------------------|------------------------|--------------------------|------------------|-----------------|------------|----------------|-----------------|----------------------|----------------|----------------|------------------|------------------------------|----------------|----------------|-------------------|
| | 8% Gross Revenue Tax | 15% Internet Gross Revenue Tax | 8.5% Retail Sports Tax | 13 % Internet Sports Tax | CRDA Obligations | 1.25% Add'l Tax | 1.25% EDT | Parking Fees | Hotel Room Fees | Progressive Slot Tax | Comp Tax | Net Income Tax | Expired Vouchers | Dormant Accounts | 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 |
| 2017 | 174,743 | 36,903 | | | 36,315 | | | 19,807 | 10,807 | 1,951 | | | 355 | 697 | 28,101 | 7,126 | 316,805 |
| 2018 | 181,228 | 44,862 | 3,436 | 6,985 | 38,856 | 627 | 550 | 21,961 | 11,777 | 1,934 | | | 354 | 356 | 37,217 | 8,664 | 358,807 |
| Total | 9,875,950 | 153,368 | 3,436 | 6,985 | 1,647,734 | 627 | 550 | 598,868 | 218,104 | 56,073 | 117,000 | 67,734 | 11,046 | 1,053 | 799,159 | 234,924 | 13,792,611 |

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
Gaming Industry
Gaming 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).

Sports Wagering: On June 14, 2018, Sports Wagering became legal in New Jersey at casinos and racetracks. On-line sports wagering commenced in July 2018. The Sports Wagering Gross Revenue Tax is 8.5% for on-site wagering and 13% for online (Internet) wagering.

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

1.25% Additional Tax: Commencing June 27, 2018, Casino Licensees Sports Wagering Gross Revenue (Retail and On-line) are subject to a 1.25% Additional Tax. The 1.25% Additional Tax is utilized by the CRDA for marketing and promotion of the City of Atlantic City.

1.25% Economic Development Tax ("EDT"): Commencing June 27, 2018, Racetrack Licensees Sports Wagering Gross Revenue (Retail and On-line) are subject to a 1.25% Economic Development Tax. The 1.25% EDT is utilized for economic development in the municipality/county in which the Racetrack Licensee resides.

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.

Dormant Accounts: Beginning in FY2017, 50% of Internet casino gaming accounts that are dormant for at least one year are remitted to the State of New Jersey.

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, 1.25% Taxes 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