



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

<u>CONTENTS:</u>	<u>Page</u>
2019 Year-to-Date Taxes and Fees	1
Calendar 1978 - 2019 Taxes and Fees	2
Description of Taxes and Fees.....	3

Report date May 7, 2020

Gaming and Atlantic City Specific Taxes and Fees
Year-to-Date 2019
(\$ 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	Unclaimed Sports Tickets	Dormant Accounts	Luxury Tax	Tourism Promo Fee	
January	12,564	5,046	271	2,024				1,633		135	21		44	2,399	839	24,976
February	14,096	4,784	(7)	1,669				1,636		107	32		43	2,629	643	25,632
March	15,971	5,860	630	3,154				1,986		148	35		55	3,262	782	31,883
1st Quarter	42,631	15,690	894	6,847	10,079	311	477	5,255	2,822	390	88		142	8,290	2,264	96,180
April	14,984	5,492	396	2,156				1,847		129	31		44	2,776	689	28,544
May	15,936	5,745	154	1,787				1,964		151	32		44	3,349	814	29,976
June	16,940	5,716	235	909				2,062		179	44	30	46	4,310	853	31,324
2nd Quarter	47,860	16,953	785	4,852	11,157	203	380	5,873	3,339	459	107	30	134	10,435	2,356	104,923
July	19,683	5,908	343	1,797				2,351		168	55	70	65	5,388	967	36,795
August	20,253	6,170	511	2,500				2,401		180	57	95	45	5,135	886	38,233
September	15,842	6,178	712	3,827				1,925		137	43	205	56	3,177	724	32,826
3rd Quarter	55,778	18,256	1,566	8,124	12,895	445	567	6,677	3,800	485	155	370	166	13,700	2,577	125,561
October	14,362	6,789	631	5,034				1,717		133	35	118	37	3,085	741	32,682
November	15,957	7,379	431	3,616				1,827		120	35	104	42	3,151	763	33,425
December	14,834	7,407	388	3,353				1,759		126	34	155	41	2,285	640	31,022
4th Quarter	45,153	21,575	1,450	12,003	11,530	584	777	5,303	2,722	379	104	377	120	8,521	2,144	112,742
YTD Total	191,422	72,474	4,695	31,826	45,661	1,543	2,201	23,108	12,683	1,713	454	777	562	40,946	9,341	439,406

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 2019
(\$ 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	Unclaimed Sport Tickets	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
2019	191,422	72,474	4,695	31,826	45,661	1,543	2,201	23,108	12,683	1,713			454	777	562	40,946	9,341	439,406
Total	9,875,950	225,842	3,436	6,985	1,693,395	627	550	598,868	230,787	57,786	117,000	67,734	11,500	777	1,053	799,159	234,924	14,232,017

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.

Unclaimed Sports Wagering Tickets: 50% of unclaimed sports wagering tickets of casino licensees are deposited into the Casino Revenue Fund. 50% of unclaimed sports wagering tickets of racetrack licensees are deposited into the State's General Fund.

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