

Blagojevich proposes USD 115 million increase in casino taxes

Springfield, Illinois – Gov. Rod Blagojevich is looking to raise another USD 115 million in taxes and fees from riverboat casinos next year, a move that could have implications for gambling expansion measures in the Legislature.

Outlined in the governor's budget proposal for fiscal year 2008, which begins July 1, is a plan to increase the state tax rate on casinos' gambling revenue, raising an estimated USD 55 million, and to institute a fee on casino license renewals, which would bring in an estimated USD 60 million next year.

Those in the casino industry, while opposed to the taxes as a single item, appear open to them if it means getting some type of gambling expansion bill passed as well.

„I do know that my members are absolutely not in favor of any tax increases unless we get something in return,“ said Tom Swoik, executive director of the Illinois Casino Gaming Association. „There are several proposals out there that offer additional gaming positions for us that also (include tax increases).“

Passing a tax increase on casinos could make it harder for the Legislature and governor to say no to some type of casino expansion bill.

„I think potentially that's the case,“ said Rep. Kurt Granberg, D-Centralia, and a member of the House gaming committee.

Blagojevich came out against a large gambling expansion bill in 2004, effectively blocking its passage in the Legislature.

Rep. Lou Lang, D-Skokie, the sponsor of a casino expansion bill this year, has said he has assurances from the governor that he won't interfere with this year's bill while it's still in the Legislature.

The likelihood of adding more casinos, as proposed by Lang, or just adding more games to existing casinos, as proposed by Rep. Tom Cross, R-Oswego, could also depend on the governor's proposed \$ 6 billion gross receipts tax on businesses, announced this week.

„A lot of this is going to hinge on the gross receipts tax,“ Granberg said. „If there's no gross receipts tax, people are going to be looking for other means of raising revenue. (Expanding) gaming will be looked to, at that point.“

Under Blagojevich's proposal, casinos would pay an extra 5 percent in taxes on gambling revenue between USD 25 million and USD 50 million, and an extra 5 percent on revenue between USD 150 million and USD 200 million.

The cost of each casino's license renewal fee would be calculated at 10 percent of its previous year's gambling revenue.

The Alton Belle casino, with USD 121.7 million in gambling revenue in 2006, would face an estimated USD 1.25 million in additional taxes and would be subject to a USD 12.2 million fee when its casino license comes up for renewal in October.

The Casino Queen, with USD 174.3 million in gambling revenue in 2006, would face approximately USD 2.45 million in extra taxes and an approximate USD 17.4 million fee when its license comes up for renewal in July 2009.