

SENATE CONCURRENT RESOLUTION NO. 29

BY SENATOR JOHNS AND REPRESENTATIVE BISHOP

A CONCURRENT RESOLUTION

To urge and request the Louisiana Gaming Control Board to report on the fiscal impact of the promotional play exception to the definitions of net gaming proceeds, gross revenue, and net slot machines proceeds.

WHEREAS, Senate Bill No. 5 of the 2020 First Extraordinary Session of the legislature addresses Louisiana's policy anomaly of including in the formula for taxation for license and franchise fees, direct payments, and other state taxes, the licensee's own dollars that are distributed to patrons in the form of promotional play vouchers, chips, coupons, or credits without an exchange of money; and

WHEREAS, it is generally known that the COVID-19 pandemic and the guidelines of social distancing have had a profound effect on this industry, and consequently, on the taxes generated in Louisiana by riverboat gaming, land-based casino gaming, and slot machine gaming at racetracks; and

WHEREAS, promotional play is proven to be one of the most effective marketing tools for the gaming industry, and particularly our neighboring state gaming establishments, heavily engage this tool to drive patrons to their establishments in their efforts to grow their revenue; and

WHEREAS, unlike our neighboring states, Louisiana's taxing of a licensee's own dollars distributed to patrons in the form of promotional play creates a disincentive to using this marketing tool by Louisiana licensees; and

WHEREAS, according to testimony before Senate Committee on Judiciary B, Senate Committee on Revenue and Fiscal Affairs, and the House Committee on Ways and Means, state policy that does not discourage the use of promotional play will greatly assist Louisiana licensees in growing gaming revenue and ultimately increasing the amount of taxes generated by their industry; and

WHEREAS, it is helpful and responsible for policymakers to allow the change in definitions to be fully implemented and gather data over time to assess its effect on state taxes generated.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby urge and request that in the event Senate Bill No. 5 is enacted and becomes law, the Louisiana Gaming Control Board is to report on the state fiscal impact of the promotional play exception to the definitions of net gaming proceeds, gross revenue, and net slot machines proceeds.

BE IT FURTHER RESOLVED that such report shall use data from state Fiscal Years 2021, 2022, and 2023, as well as prior fiscal years to assess the overall fiscal impact of the change in definitions to tax revenues and state payments generated from riverboat gaming, land-based casino gaming, and slot machine gaming at racetracks.

BE IT FURTHER RESOLVED that the report shall be submitted to the Senate Committee on Judiciary B, the Senate Committee on Revenue and Fiscal Affairs, the House Committee on the Administration of Criminal Justice, and the House Committee on Ways and Means no later than January 1, 2024.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the Louisiana Gaming Control Board.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES