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Gaming in Illinois: Rolling the Dice on Tax Revenues

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About the Civic Federation

- Non-profit government research organization founded in 1894
- The mission of the Civic Federation is to provide objective research, analysis and recommendations that:
 - Champion efficient delivery of high-quality government services;
 - Promote sustainable tax policies and responsible long-term financial planning;
 - Improve government transparency and accountability; and
 - Educate and serve as a resource for policymakers, opinion leaders and the broader public.

www.civiced.org for more information



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Gaming in Illinois

- Current Tax Revenue Trends
- Video Gaming
- Gaming Expansion Proposals



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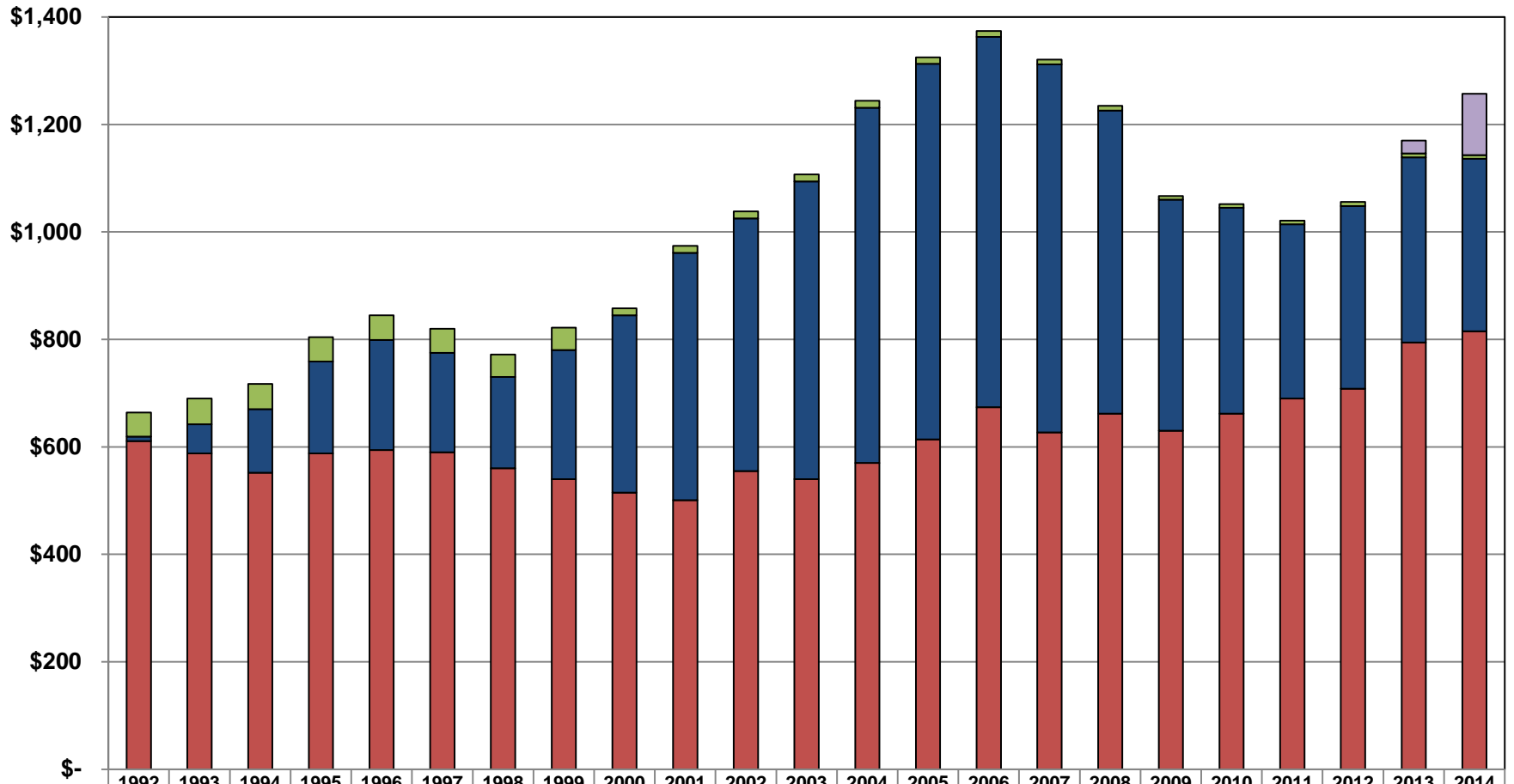
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State Gaming Tax Revenues

State of Illinois General Funds Gaming and Lottery Revenue FY2007-FY2016 (in \$ millions)

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015 (est)	FY2016 (Proj.)
Lottery	\$ 622	\$ 657	\$ 625	\$ 625	\$ 632	\$ 640	\$ 656	\$ 668	\$ 682	\$ 693
Gaming	\$ 685	\$ 564	\$ 430	\$ 431	\$ 324	\$ 413	\$ 360	\$ 331	\$ 300	\$ 290
Total	\$ 1,307	\$ 1,221	\$ 1,055	\$ 1,056	\$ 956	\$ 1,053	\$ 1,016	\$ 999	\$ 982	\$ 983
State-Source %	5.5%	4.9%	4.7%	5.0%	3.8%	3.5%	3.2%	3.0%	3.2%	3.5%

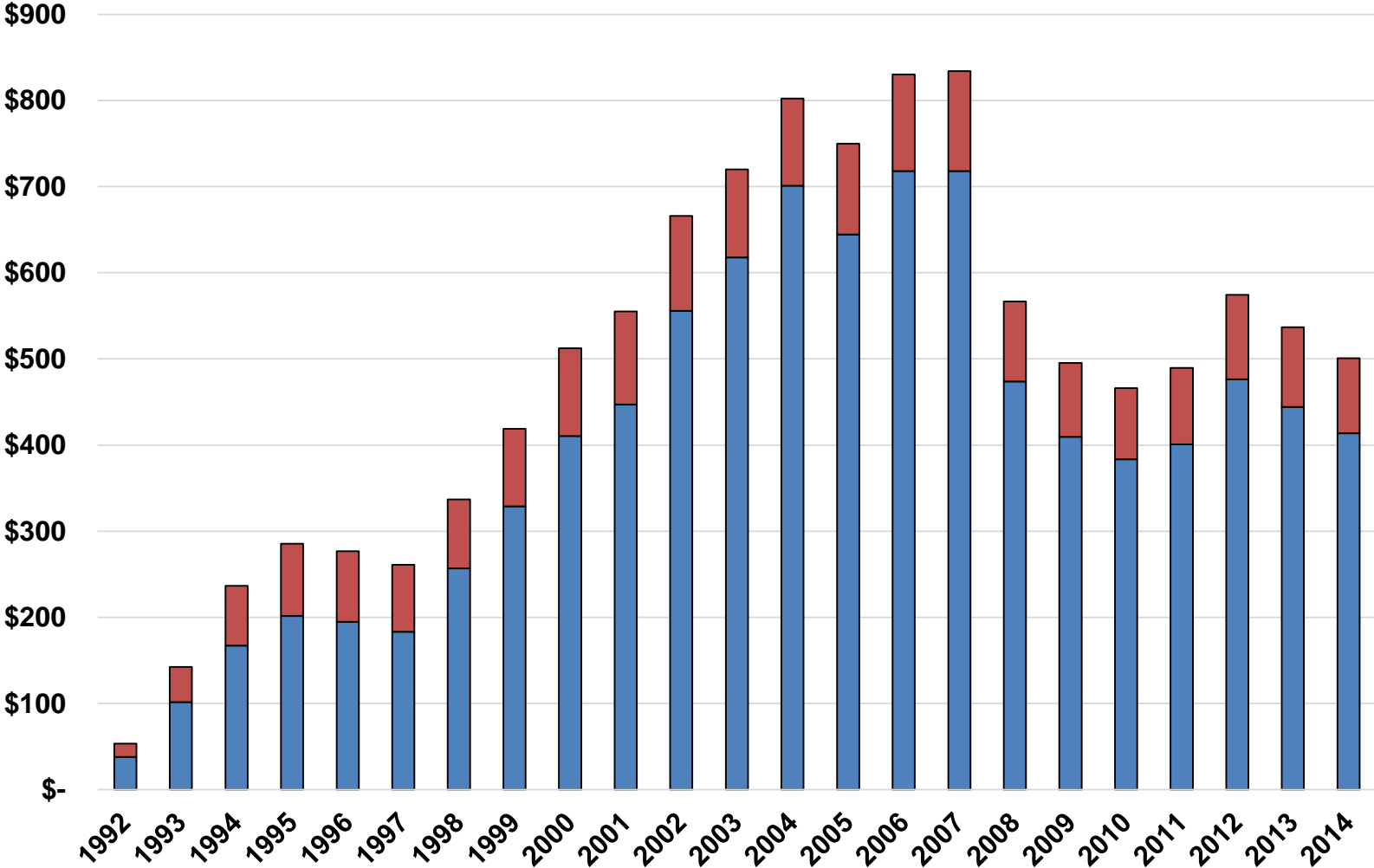
State of Illinois Gaming Revenue: FY1992-FY2014 (in \$ millions)



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total	\$664	\$690	\$717	\$804	\$845	\$820	\$772	\$822	\$858	\$974	\$1,0	\$1,1	\$1,2	\$1,3	\$1,3	\$1,3	\$1,2	\$1,0	\$1,0	\$1,0	\$1,0	\$1,1	\$1,2
■ Video Gaming	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$24	\$114
■ Horse Racing	\$45	\$48	\$47	\$45	\$46	\$45	\$42	\$42	\$13	\$13	\$13	\$13	\$13	\$12	\$11	\$9	\$9	\$7	\$7	\$7	\$8	\$7	\$7
■ Casino	\$8	\$54	\$118	\$171	\$205	\$185	\$170	\$240	\$330	\$460	\$470	\$554	\$661	\$699	\$689	\$685	\$564	\$430	\$383	\$324	\$340	\$345	\$321
■ Lottery	\$611	\$588	\$552	\$588	\$594	\$590	\$560	\$540	\$515	\$501	\$555	\$540	\$570	\$614	\$674	\$627	\$662	\$630	\$662	\$690	\$708	\$794	\$815

Source: Commission on Government Forecasting and Accountability, Wagering in Illinois: 2014 Update, p. 2.

Illinois Riverboat Casino Tax Revenue: State and Local Share 1992-2014 (in \$ millions)



Source: Illinois Gaming Board, 2014 Annual Report, p. 17.



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Video Gaming

- Authorized in 2009 and taxed at 30% as largest funding source for *Illinois Jobs Now!* capital program
- Originally estimated to generate between \$288 million and \$534 million in annual revenues
- 1/6 of tax revenues passed on to local governments



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Capital Projects Fund: Revenues by Source (in \$ millions)

Source	Original Projections	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015 (est)
Video Poker Tax*	\$288 - \$534	\$ -	\$ -	\$ -	\$ 58.0	\$ 114.4	\$ 167.6
Lottery Fund	\$ 150	\$ 32.9	\$ 54.1	\$ 65.2	\$ 135.0	\$ 145.0	\$ 115.0
Sales Tax	\$ 65	\$ 39.0	\$ 52.0	\$ 52.7	\$ 54.0	\$ 55.0	\$ 54.0
Liquor Tax	\$ 108	\$ 77.6	\$ 105.2	\$ 114.8	\$ 115.1	\$ 115.0	\$ 119.0
Vehicle Related	\$ 332	\$ 117.7	\$ 294.6	\$ 299.7	\$ 264.9	\$ 304.1	\$ 310.0
Other	\$ -	\$ 0.3	\$ -	\$ 0.1	\$ 0.4	\$ 0.4	\$ -
Total	\$943 - \$1,189	\$ 267.5	\$ 505.9	\$ 532.5	\$ 627.3	\$ 734.0	\$ 765.6

*FY2013 includes one-time video poker operator fees totaling \$33.5 million.

Source: Commission on Government Forecasting and Accountability, *Capital Plan Analysis FY2015*, May 2014, pp.10-11; Illinois Comptroller, *Online Revenue Query by Fund: Capital Projects Fund*, www.ioc.state.il.us (last visited on September 30, 2014).



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Video Gaming

- Delayed implementation until 2012 and lowered projected revenues due to opt-out provisions
- In FY2014 local governments earned a total of \$24.3 million in tax revenue from video gaming
- In February 2015 a total of 19,069 machines are installed in 4,619 establishments statewide



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Gaming Expansion Proposals

- City of Chicago
- Additional Locations
- Racinos
- Revenue Impact



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Questions?

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