



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 587** HLS 25RS 197
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 8, 2025	10:02 AM	Author: MENA
Dept./Agy.: Revenue		Analyst: Mimi Blanchard
Subject: Gaming Revenue		

GAMING/REVENUE OR +\$36,222,500 GF RV See Note Page 1 of 1
 Provides relative to gaming revenue

Current law provides for a 15% tax on net gaming proceeds from sports wagering offered electronically through a website or mobile application. Additionally, a 10% tax is levied on net gaming proceeds from sports wagering offered onsite at a retail establishment through a sports wagering mechanism.

Proposed law introduces a progressive tax rate for all sports wagering, whether conducted onsite or via a website or mobile application. The new tax rates would be as follows: 20% on proceeds up to and including \$30 M, 25% on proceeds between \$30 M and \$50 M, 30% on proceeds between \$50 M and \$100 M, 35% on proceeds between \$100 M and \$200 M, and 40% on proceeds exceeding \$200 M. The bill also increases the amount of tax revenue dedicated to the Louisiana Early Childhood Education Fund from 25% to 40%, with the cap raised from \$20 M to \$30 M. Effective August 1, 2025.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$36,222,500	\$36,222,500	\$36,222,500	\$36,222,500	\$36,222,500	\$181,112,500
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$26,077,500	\$26,077,500	\$26,077,500	\$26,077,500	\$26,077,500	\$130,387,500
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$62,300,000	\$62,300,000	\$62,300,000	\$62,300,000	\$62,300,000	\$311,500,000

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The Department of Public Safety (DPS) reports that if all other factors in the sports wagering industry remain the same, the proposed law would have resulted in additional state revenues of \$59,818,157 from mobile sports wagering and \$3,014,886 from retail sports wagering in FY 24, for a total increase of \$62,833,043. DPS reports that based on FY 24 revenues, all retail sportsbooks would be subject to the new 20% rate, and 3 mobile operators exceeded \$30 M in net proceeds, triggering higher tax brackets.

Based on the most recent REC forecast (12/9/2024), state collections from sports wagering are projected at \$59.3M annually for FY 26 through FY 30. Using DPS's FY 24 estimates as a proxy, LFO estimates that proposed law would increase annual collections by approximately 105%, resulting in an estimated additional \$62.3M in state revenue per year. SGF and existing statutory dedications are expected to increase by the amounts listed in the table below. Actual revenue increases will depend on future market conditions and operator behavior.

Fund	Current Law	Proposed Law	INCREASE
Behavioral Health & Wellness	\$1,186,000	\$2,432,000	\$1,246,000
LA Early Childhood Education	\$14,825,000	\$30,000,000*	\$15,175,000
Sports Wagering Local Allocation	\$5,930,000	\$12,160,000	\$6,230,000
Sports Wagering Purse Supplement	\$1,482,500	\$3,040,000	\$1,557,500
Disability-Focused Disaster Preparedness & Response	\$500,000	\$500,000	\$0
Compulsive & Problem Gaming	\$1,779,000	\$3,648,000	\$1,869,000
Louisiana Equine Promotion & Research	\$500,000	\$500,000	\$0
SGF	<u>\$33,097,500</u>	<u>\$68,920,000</u>	<u>\$36,222,500</u>
Total	\$59,300,000	\$121,600,000	\$62,300,000

*The bill proposes to increase the cap for the LA Early Childhood Education Fund from \$20M to \$30M.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}



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