



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 22** HLS 243ES 35  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> November 12, 2024 7:18 PM	<b>Author:</b> WILDER
<b>Dept./Agy.:</b> Public Safety, Gaming Control Board	
<b>Subject:</b> Provides for taxation of sports wagering.	<b>Analyst:</b> John McKay

TAX/GAMING OR +\$150,000,000 RV See Note Page 1 of 1  
 Provides for taxation of sports wagering (Items #11 and #13)

Proposed legislation repeals the deduction for promotional wagers when computing net gaming proceeds. Proposed legislation increases the levied tax on net gaming proceeds from electronic sports wagering on websites and mobile applications from 15% to 51%.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	

**Annual Total**

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	<b>\$75,000,000</b>	<b>\$150,000,000</b>	<b>\$150,000,000</b>	<b>\$150,000,000</b>	<b>\$150,000,000</b>	<b>\$675,000,000</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	<b>INCREASE</b>	

**Annual Total**

**EXPENDITURE EXPLANATION**  
 Proposed law will increase the allocation from the tax proceeds generated and shall be provided for regulation/enforcement, subject to appropriation, as well as distribution to various statutory dedications and the 55 parishes that approved the legalization of sports wagering.


**REVENUE EXPLANATION**  
Proposed law will result in an annual increase of approximately \$150 M as a result of increasing the tax levied on net gaming proceeds from 15% to 51% and exempting promotional play from the calculation determining net gaming proceeds. To the extent that online sports wagering behavior remains similar to FY 24, taxes collected in future years will yield approximately \$150 M annually under proposed legislation.

The table below illustrates the annual tax increase of this measure using FY 24 actual balances.

	Current Law (15%)	Proposed Law (51%)	Difference
Gross gaming revenue	\$3 B	\$3 B	\$0
Paid-out (winnings)	-\$2.6 B	-\$2.6 B	\$0
Promotional play	-\$44 M	-\$0	\$44 M
Net gaming proceeds	\$358 M	\$402 M	\$44 M
Tax Rate	<u>x 15%</u>	<u>x 51%</u>	
<b>Taxes Paid</b>	<b>\$54 M</b>	<b>\$205 M</b>	<b>\$151 M</b>

*Note: The \$75 M reported in the table for FY 25 is reflective of six months of the fiscal year (January 2025 - June 2025). The amount directed to various statutory dedications and local parishes are reflected above as state general fund revenue. The Treasury distributes 10% of sports wagering to local parishes, allocating amounts to individual parishes by formula as provided by law.*

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" 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}

  
**Patrice Thomas**  
 Deputy Fiscal Officer