



Reprinted
February 25, 2009

HOUSE BILL No. 1729

DIGEST OF HB 1729 (Updated February 24, 2009 5:36 pm - DI 92)

Citations Affected: IC 4-33; IC 4-35.

Synopsis: Gaming tax relief. Allows a riverboat to deduct qualified promotional allowances from the riverboat's adjusted gross receipts for state fiscal years beginning after June 30, 2009 and ending before July 1, 2013. Provides that the maximum amount that a riverboat may deduct for a particular state fiscal year is \$5,000,000. Reduces the slot machine wagering tax brackets through June 30, 2013.

Effective: July 1, 2009.

Pelath, Eberhart, Lutz, Reske

January 22, 2009, read first time and referred to Committee on Rules and Legislative Procedures.
February 9, 2009, reassigned to Committee on Ways & Means.
February 17, 2009, amended, reported — Do Pass.
February 24, 2009, read second time, amended, ordered engrossed.

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HB 1729—LS 6584/DI 44+



First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

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HOUSE BILL No. 1729

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-33-2-2 IS AMENDED TO READ AS FOLLOWS
2 [EFFECTIVE JULY 1, 2009]: Sec. 2. **(a)** "Adjusted gross receipts"
3 means:

4 (1) the total of all cash and property (including checks received
5 by a licensee or an operating agent) whether collected or not,
6 received by a licensee or an operating agent from gaming
7 operations; minus

8 (2) the total of:

9 (A) all cash paid out as winnings to patrons; and

10 (B) uncollectible gaming receivables, not to exceed the lesser
11 of:

12 (i) a reasonable provision for uncollectible patron checks
13 received from gaming operations; or

14 (ii) two percent (2%) of the total of all sums, including
15 checks, whether collected or not, less the amount paid out as
16 winnings to patrons.

17 For purposes of this section, a counter or personal check that is invalid

HB 1729—LS 6584/DI 44+



1 or unenforceable under this article is considered cash received by the
2 licensee or operating agent from gaming operations.

3 **(b) This subsection applies only for the state fiscal years**
4 **beginning after June 30, 2009, and ending before July 1, 2013. For**
5 **purposes of determining the wagering tax liability of a riverboat**
6 **under IC 4-33-13-1.5 for a state fiscal year described in this**
7 **subsection, the term refers to the amount determined after making**
8 **the deduction permitted under IC 4-33-13-1.7.**

9 SECTION 2. IC 4-33-13-1.7 IS ADDED TO THE INDIANA CODE
10 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
11 1, 2009]: **Sec. 1.7. (a) This section applies to each state fiscal year**
12 **beginning after June 30, 2009, and ending before July 1, 2013.**

13 **(b) As used in this section, "promotional allowance" refers to**
14 **any amount expended by a riverboat to permit a patron to:**

- 15 (1) make a complimentary wager on a gambling game; or
16 (2) play a gambling game without consideration.

17 **The term does not include any amount expended to provide a**
18 **patron with complimentary lodging, meals, or merchandise.**

19 **(c) As used in this section, "qualified promotional allowance"**
20 **refers to any amount expended in a particular state fiscal year as**
21 **a promotional allowance that when added to the total amount of**
22 **promotional allowances previously made in that state fiscal year,**
23 **exceeds the total amount of promotional allowances made by a**
24 **riverboat in a state fiscal year beginning after June 30, 2008, and**
25 **ending before July 1, 2009.**

26 **(d) For purposes of determining a riverboat's wagering tax**
27 **liability under section 1.5 of this chapter, a riverboat may deduct**
28 **each day from the riverboat's adjusted gross receipts (as**
29 **determined without regard to this section) an amount that is**
30 **expended by the riverboat as a qualified promotional allowance.**
31 **The deduction must be claimed in the manner required by**
32 **subsection (e) and is subject to the limit set forth in subsection (f).**

33 **(e) A riverboat must claim the deduction allowed under this**
34 **section on a form prescribed by the commission. A riverboat may**
35 **begin claiming the daily deduction on the day that the riverboat**
36 **begins making qualified promotional allowances for a particular**
37 **state fiscal year. The amount of each daily deduction is the total**
38 **amount of qualified promotional allowances made on that day.**

39 **(f) The maximum amount that a riverboat may deduct under**
40 **this section for a particular state fiscal year is five million dollars**
41 **(\$5,000,000).**

42 SECTION 3. IC 4-35-8-1, AS ADDED BY P.L.233-2007,

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1 SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2009]: Sec. 1. (a) **This subsection applies to a state fiscal
3 year beginning after June 30, 2009, and ending before July 1, 2013.
4 A graduated slot machine wagering tax is imposed as follows on the
5 adjusted gross receipts received from wagering on gambling games
6 authorized by this article:**

7 (1) **Twenty percent (20%) of the first one hundred million
8 dollars (\$100,000,000) of adjusted gross receipts received
9 during the period beginning July 1 of each year and ending
10 June 30 of the following year.**

11 (2) **Twenty-five percent (25%) of the adjusted gross receipts
12 in excess of one hundred million dollars (\$100,000,000) but
13 not exceeding two hundred million dollars (\$200,000,000)
14 received during the period beginning July 1 of each year and
15 ending June 30 of the following year.**

16 (3) **Thirty percent (30%) of the adjusted gross receipts in
17 excess of two hundred million dollars (\$200,000,000) received
18 during the period beginning July 1 of each year and ending
19 June 30 of the following year.**

20 (b) **This subsection applies to a state fiscal year beginning after
21 June 30, 2013.** A graduated slot machine wagering tax is imposed as
22 follows on the adjusted gross receipts received from wagering on
23 gambling games authorized by this article:

24 (1) **Twenty-five percent (25%) of the first one hundred million
25 dollars (\$100,000,000) of adjusted gross receipts received during
26 the period beginning July 1 of each year and ending June 30 of
27 the following year.**

28 (2) **Thirty percent (30%) of the adjusted gross receipts in excess
29 of one hundred million dollars (\$100,000,000) but not exceeding
30 two hundred million dollars (\$200,000,000) received during the
31 period beginning July 1 of each year and ending June 30 of the
32 following year.**

33 (3) **Thirty-five percent (35%) of the adjusted gross receipts in
34 excess of two hundred million dollars (\$200,000,000) received
35 during the period beginning July 1 of each year and ending June
36 30 of the following year.**

37 ~~(b)~~ (c) **A licensee shall remit the tax imposed by this section to the
38 department before the close of the business day following the day the
39 wagers are made.**

40 ~~(c)~~ (d) **The department may require payment under this section to
41 be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).**

42 ~~(d)~~ (e) **If the department requires taxes to be remitted under this**

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1 chapter through electronic funds transfer, the department may allow the
2 licensee to file a monthly report to reconcile the amounts remitted to
3 the department.

4 ~~(e)~~ **(f)** The payment of the tax under this section must be on a form
5 prescribed by the department.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred House Bill 1729, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning gaming.

Delete everything after the enacting clause and insert the following:

(SEE TEXT OF BILL)

and when so amended that said bill do pass.

(Reference is to HB 1729 as introduced.)

CRAWFORD, Chair

Committee Vote: yeas 17, nays 7.

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HOUSE MOTION

Mr. Speaker: I move that House Bill 1729 be amended to read as follows:

Page 2, line 3, delete "to a distressed riverboat (as" and insert "**for the state fiscal years beginning after June 30, 2009, and ending before July 1, 2013.**"

Page 2, line 4, delete "defined by IC 4-33-13-1.7)."

Page 2, line 5, delete "distressed".

Page 2, line 6, delete "IC 4-33-13-1.5," and insert "**IC 4-33-13-1.5 for a state fiscal year described in this subsection,**"

Page 2, line 7, delete "deductions" and insert "**deduction**".

Page 2, delete lines 8 through 42, begin a new paragraph and insert: "SECTION 2. IC 4-33-13-1.7 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 1.7. (a) This section applies to each state fiscal year beginning after June 30, 2009, and ending before July 1, 2013.**

(b) As used in this section, "promotional allowance" refers to any amount expended by a riverboat to permit a patron to:

- (1) make a complimentary wager on a gambling game; or**
- (2) play a gambling game without consideration.**

The term does not include any amount expended to provide a



patron with complimentary lodging, meals, or merchandise.

(c) As used in this section, "qualified promotional allowance" refers to any amount expended in a particular state fiscal year as a promotional allowance that when added to the total amount of promotional allowances previously made in that state fiscal year, exceeds the total amount of promotional allowances made by a riverboat in a state fiscal year beginning after June 30, 2008, and ending before July 1, 2009.

(d) For purposes of determining a riverboat's wagering tax liability under section 1.5 of this chapter, a riverboat may deduct each day from the riverboat's adjusted gross receipts (as determined without regard to this section) an amount that is expended by the riverboat as a qualified promotional allowance. The deduction must be claimed in the manner required by subsection (e) and is subject to the limit set forth in subsection (f).

(e) A riverboat must claim the deduction allowed under this section on a form prescribed by the commission. A riverboat may begin claiming the daily deduction on the day that the riverboat begins making qualified promotional allowances for a particular state fiscal year. The amount of each daily deduction is the total amount of qualified promotional allowances made on that day.

(f) The maximum amount that a riverboat may deduct under this section for a particular state fiscal year is five million dollars (\$5,000,000)."

Page 3, delete lines 1 through 20.

Page 3, line 24, delete "2014." and insert "2013."

Page 3, line 42, delete "2014." and insert "2013."

Renumber all SECTIONS consecutively.

(Reference is to HB 1729 as printed February 17, 2009.)

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