



## Gross Casino Revenue Tax

Ohio voters passed a constitutional amendment in 2009 that provides for four casino facilities to be located in this state: Cleveland, Toledo, Columbus, and Cincinnati. The first three casinos (Cleveland, Toledo and Columbus) opened in calendar year 2012.

The Ohio Casino Control Commission is responsible for licensing and regulating casino operators, their employees, and gaming-related vendors. The Ohio Department of Taxation is responsible for administering the gross casino revenue tax and for ensuring compliance with all pertinent state tax laws, as well as administrative rules and policies as they apply to other taxes administered by the Department of Taxation.

The gross casino revenue tax is imposed on licensed casino operators at the rate of 33%. "Gross casino revenue" is the total amount of money exchanged for tokens, chips, and tickets at a casino facility, less any winnings paid out to wagers. In fiscal year 2012, total state receipts were \$19.8 million.

### Taxpayer

(Ohio Revised Code 5753.01)

The tax is paid by operators of the four casinos authorized by Article XV, Section 6(C) of the Ohio constitution.

### Tax Base

(Ohio Revised Code 5753.02)

The tax applies to all gross casino revenue received by each casino operator. "Gross casino revenue" means the income of casinos after paying out prizes but before payment of expenses.

### Rates

The tax rate is equal to 33% of an operator's gross casino revenue.

### Major Exemptions

None.

### Revenue

Tax collections received during the second quarter of calendar year 2012 totaled \$19.8 million.

### Disposition of Revenue

(Ohio Revised Code 5753.03)

Revenue from the tax will be distributed as follows:

- 51% to the Gross Casino Revenue County Fund,

where it is distributed according to the population of each Ohio county. In counties whose largest city has a population greater than 80,000, revenue from this fund is split evenly between county government and the largest city. In other counties, all revenue is directed to county government;

- 34% to the Gross Casino Revenue County Student Fund, where it is distributed to public school districts based on student population;
- 5% to the host city where a casino is located;
- 3% to the Ohio State Racing Commission;
- 3% to the Ohio Casino Control Commission. Of this amount, one cent of every dollar is reserved for tax administration costs;
- 2% to the Problem Casino Gambling and Addictions Fund to support efforts to alleviate problem gambling and substance abuse and to fund related research;
- 2% to the Ohio Law Enforcement Training Fund. Of this amount, 85% is directed to the Ohio Peace Officer Training Academy and the remainder is directed to the Department of Public Safety's Office of Criminal Justice Services.

### Payment Dates

(Ohio Revised Code 5753.04)

The operators of each casino facility are required to file returns and to remit payments for the related tax liabilities each day that banks are open for business. Each return reflects casino gaming activity over a 24-hour period.

### Sections of the Revised Code

Chapter 5753.

### Responsibility for Administration

(Ohio Revised Code 5753.09)

The Tax Commissioner administers the tax.

The Ohio Casino Control Commission regulates casinos.

### History of Major Changes

**2009** Ohio voters approve an amendment to the Ohio Constitution authorizing one casino each in Cincinnati, Cleveland, Columbus and Toledo. The amendment also requires a 33% tax on gross casino revenue.

**2010** In June, the General Assembly passes Am. Sub. H.B. 519, which implemented the tax on gross casino revenue.

**Table**

<b>Gross Casino Revenue Funds</b>		
<b>Fund</b>	<b>Fund Amount</b>	<b>% Share of Total Collections</b>
Host City Fund (5JJ0)	\$988,007	5.00%
Student Fund (5JH0)	\$6,718,445	34.00%
County Fund (5JG0)	\$10,077,668	51.00%
Casino Control Commission Fund (5HS0)	\$592,804	3.00%
Ohio State Racing Commission Fund (5JK0)	\$592,804	3.00%
Law Enforcement Training Fund (5JN0)	\$395,203	2.00%
Problem Gambling & Addictions Fund (5JL0)	\$395,203	2.00%
<b>Total July 2012 deposits</b>	<b>\$19,760,134</b>	<b>100.00%</b>