

Recent proposals to increase state gaming taxes on casinos could threaten the livelihood of the Riverside Casino & Golf Resort in Riverside, a top official said Friday.

A budget proposal released by Gov. Terry Branstad on Thursday includes an increase in casino taxes from

22 percent or 24 percent to 36 percent. That would result in about \$11 million more in state taxes for Riverside Casino, General Manager Joe Massa said. Branstad is proposing the increase on casino taxes as a way to offset cuts to corporate business taxes. Massa said a significant increase on top of stagnant revenues and rising operating costs could have serious consequences for the casino, which opened August 31, 2006. "We're talking a cutback in operations, job losses, even the viability of the casino itself," Massa said. "We have a lot of debt, we have agreements with banks. All those would be affected by something as dramatic as this."

He said many in the gaming industry are surprised by the proposal.

"I was very shocked," Massa said. "We have been communicating through the (Iowa Gaming) Association. Everybody shares the same concerns; it's a threat to employment and the services we provide in the area."

Jack Ketterer, administrator of the Iowa Racing and Gaming Commission, did not immediately return a call for comment.

According to information from the Iowa Racing and Gaming Commission, Riverside had an adjusted gross revenue of \$85 million in fiscal year 2010 and paid \$16,600,000 in taxes to the state.

Massa said those state taxes plus taxes for the city of Riverside and Washington County, fees to non-profit agencies and regulatory fees add up to more than 30 percent of the casino's gaming revenue.

Massa said the impact on the local community also could be significant. With 700 employees, Riverside is the largest employer in Washington County "by far," he said, and the casino gives about \$3 million annually to local organizations.

"I don't think he understands the financial operations of casinos," Massa said of the Republican governor. "I don't think he's looked at our financial statements and our debt requirements. I don't think whoever's advising him has told him what those things are."

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