

Iowa Gov. Terry Branstad has proposed a major tax hike on the state's casino industry as part of his budget package submitted to the Legislature last week.

Under his proposal, the gaming revenues produced by Iowa's riverboat and racetrack casinos would be taxed at 36 percent.

Currently, Iowa's casinos pay a gaming tax rate of 22 percent. The two racetrack casinos in Altoona and

Council Bluffs pay a state tax of 24 percent on their adjusted gross receipts from casino operations.

Aides to the governor said the increased casino taxes would be used to fund a \$200 million reduction in Iowa corporate taxes, which currently account for 6 percent of state's revenues.

In addition to St. Louis-based Isle of Capri Casinos, Las Vegas-based Caesars Entertainment, Ameristar Casinos and Herbst Gaming operate casinos in Iowa.

If approved, Iowa could have a gaming tax structure that closely represents nearby Illinois, which has one of the highest gaming tax rates in the country.

Union Gaming Group Principal Bill Lerner told investors that higher gaming taxes in Iowa could affect the casinos' ability to spend more on marketing and promotions.

"Given that casinos in Iowa are a strong tourist attraction and bring in substantial tax revenues for the state, we expect a lot of opposition to Gov. Branstad's new budget proposal," Lerner said. "We do suspect that a gaming tax increase would be partially offset by the proposed corporate tax cut."

Iowa governor proposes gaming tax increase - Las Vegas Review-Journal (blog)

Written by Administrator

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