

Competition cause of predicted drop in Indiana casino tax revenue : Elections

Written by Administrator
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INDIANAPOLIS | The latest state revenue forecast projects Indiana tax receipts from riverboat casino bets will decline over the next two years by \$41.4 million, a 9 percent drop, due to competition from new casinos in Ohio.

Indiana is expected to take in \$464.3 million in wagering taxes from its 11 riverboat casinos during the current 2013 budget year, which ends June 30. Wagering tax revenue is slated to fall to \$432.3 million in 2014 and \$422.9 million in 2015.

The state had revenue of \$496.5 million from riverboat casino bets during the 2012 budget year. As recently as 2008, when Illinois was the only adjacent state with casinos, Indiana gaming revenue totaled \$582.9 million.

Ohio opened land-based casinos this year in Cleveland, Columbus and Toledo. It's also on pace to open seven "racinos," horse-racing tracks with slot machines.

The final Ohio casino, scheduled to open this spring in Cincinnati, is expected to have the greatest impact on Indiana, draining gamblers and revenue from the three Hoosier casinos just across the state line from Cincinnati.

Meanwhile, Michigan, Illinois and Kentucky also are threatening Indiana's gaming revenue.

Several tribal casinos have opened in southwestern Michigan in the past few years, including Four Winds—just minutes away from Blue Chip Casino in Michigan City. A proposed tribal casino for South Bend is under review by federal officials.

Illinois lawmakers are close to approving casinos for downtown Chicago and the south suburbs that are expected to attract Illinois and Indiana residents currently playing at casinos in Hammond, Gary and East Chicago.

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Finally, Kentucky voters may soon get a chance to amend their state constitution to legalize gambling, most likely at Churchill Downs in Louisville just across the Ohio River from an Indiana casino.

The 2014-15 state revenue forecast does not account for the possible Illinois casinos which, if approved, would almost certainly drop annual Indiana wagering tax revenue well below \$400 million.

State Sen. Luke Kenley, R-Noblesville, chairman of the Senate Appropriations Committee, said he believes Indiana gaming revenue will never return to the heights of the good old days when there was little competition from other states.

But Kenley said state lawmakers should support measures that ensure Indiana casinos remain as competitive as possible.

"You've created an industry you've said, 'We're willing to have,' and you have to be viable. So now I think it's a question of whether we're going to make changes that allow them to continue to be viable or whether we're going to let the industry just die," Kenley said.

Attracting new players appears to be the main challenge for Indiana casinos. After growing steadily from 1996 to 2003, casino attendance has remained between 25 million and 27 million patrons every year since 2004.

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