

Bill Would Aid Atlantic City, Casinos on Taxes

Written by Administrator

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Atlantic City's eight surviving casinos would get a break on taxes and the city would get help making up for lost revenue under a rescue plan unveiled by two New Jersey state senators.

The plan, introduced in the Legislature late Monday and announced on Tuesday by State Senate President Steve Sweeney and Sen. James Whelan, would let the casinos collectively pay \$150 million in lieu of taxes for two years. It would redirect an investment alternative tax ? currently used for redevelopment projects ? to help pay off \$25 million to \$30 million of Atlantic City's debt a year.

It has many of the elements the struggling Trump Taj Mahal Casino Resort has been seeking from state and local government in order to keep the casino open and save its 3,000 jobs. Asked if the package, if enacted into law, would be enough to keep the Taj Mahal open, Robert Griffin, CEO of Trump Entertainment Resorts, would only say, "We will see."

The casino is scheduled to close Dec. 12.

The plan is designed to help casinos by reducing their annual taxes. It helps the city by giving it a predictable revenue stream without massive casino tax appeals each year that have helped drain the city's coffers.

Four of Atlantic City's 12 casinos have closed this year.

"This plan will help stop the bleeding," said Whelan, a former Atlantic City mayor.

Sweeney, the Democratic head of the state Senate, proposed the plan earlier this year. It is similar to one unveiled and endorsed a few days later by Gov. [Chris Christie](#) , a Republican, and a commission he appointed to study ways to help the reeling gambling resort, which has seen 8,000 workers lose their jobs so far this year.

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"My plan is designed to protect Atlantic City from bankruptcy and position the city for future economic growth," Sweeney said. "With the multiple casino closings and competitive pressure in the gaming industry, Atlantic City is facing an unprecedented economic challenge. We need to take immediate action to stabilize the existing workforce, the casinos, property taxpayers and the entire community."

One bill would require \$150 million payments from the casinos in the first two years. After that, the payment would fall to \$120 million as long as Atlantic City's annual casino revenue remains between \$2.2 billion and \$2.6 billion. Last year, it was \$2.86 billion, but that was before the four casinos closed.

The casinos' collective tax obligation could fall to as little as \$75 million a year if gambling revenue dips to \$1.4 billion a year or less. A spokesman for Atlantic City Mayor Don Guardian could not immediately say how much the casinos paid in property taxes last year.

Michael Drewniak, a spokesman for Christie, said the governor welcomes Sweeney's proposal, "which will be part of the ongoing discussions" on how best to help Atlantic City.

The bill also would mandate a minimum health insurance and retirement benefits package to each casino worker, which is a major issue in the Taj Mahal labor dispute. Trump Entertainment won a bankruptcy court ruling in October that canceled its contract with Local 54 of the Unite-HERE union and freed the company from costly health insurance and pension obligations. The union is appealing that ruling, and the company has since offered to reinstate health coverage for two years and contribute to a new pension plan.

Billionaire investor [Carl Icahn](#), who plans to acquire Trump Entertainment by forgiving \$286 million in company debt he owns, intends to invest \$100 million into the Taj Mahal, but only if the union drops its appeal.

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