

Second casino tax deadline looms - News

Written by Administrator
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HARRISBURG — Nothing focuses attention during the legislative process like a deadline. But the solution that lawmakers often come up with is to simply extend a deadline to a later date.

This is what has happened with a deadline tied to a state court ruling last fall declaring a key casino tax unconstitutional.

When the Supreme Court ruled that the way casinos are taxed for local impact assessments is unconstitutional it gave the Legislature until last Jan. 26 to pass a casino tax that meets constitutional muster. The court ruled in favor of Mount Airy Casino Resort's complaint that casinos generating less revenue than others pay a heavier tax burden under that assessment. Municipalities in the vicinity of casinos have come to depend on the stream of assessment revenue that became available after the first casinos opened a decade ago.

The court's Jan. 26 deadline was problematic because of the change in legislative sessions after the November election and need to reorganize committees. So lawmakers got the court's permission to extend the deadline to May 26.

That enabled the Revenue Department to continue collecting the local share assessment under the existing formula from the casinos. The Commonwealth Financing Authority recently approved the distribution of millions of dollars of local impact revenue from Mount Airy and Mohegan Sun Pocono.

Now the second deadline looms with no consensus plan in sight to pass a new local impact assessment.

The House and Senate are scheduled in session May 8, 9,10 and May 22, 23, and 24. May 26 by the way is the Friday of Memorial Day weekend.

While the need to replace the local share assessment is imperative, lawmakers are also face some pressure to redistribute how the local share gambling money is currently allocated.

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There are different distribution methods in place for each casino and some of them are controversial. There are tensions between lawmakers representing districts receiving local share money and those from “have not” districts that want a share of the action. The distribution of Mount Airy revenue among counties neighboring host Monroe County is a sore point with Monroe County lawmakers. Rep. Russ Diamond, R-102, Lebanon, has produced a video outlining why Lebanon County should get a one-third share of the local share revenue from Hollywood Casino straddling the border of Dauphin and Lebanon counties.

Much work remains to be done on the local share assessment, said Rep. Scott Petri, R-178, Richboro, chairman of the House Gaming Oversight Committee.

Contact the writer:

rswift@timeshamrock.com

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