

SENATE, No. 3064

STATE OF NEW JERSEY
221st LEGISLATURE

INTRODUCED APRIL 8, 2024

Sponsored by:

Senator JOHN F. MCKEON

District 27 (Essex and Passaic)

SYNOPSIS

Increases tax on Internet casino gaming and Internet sports wagering to 30 percent.

CURRENT VERSION OF TEXT

As introduced.



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1 AN ACT concerning the Internet casino gaming tax and the Internet
2 sports wagering tax and amending P.L.2013, c.27 and P.L.2018,
3 c.33.

4
5 **BE IT ENACTED** by the Senate and General Assembly of the State
6 of New Jersey:

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8 1. Section 17 of P.L.2013, c.27 (C.5:12-95.19) is amended to
9 read as follows:

10 17. There is hereby imposed an annual tax on Internet gaming
11 gross revenues in the amount of **[15%]** 30 percent of such gross
12 revenues which shall be paid into the Casino Revenue Fund. The
13 **[8%]** 8 percent tax on casino gross revenues shall not apply to
14 Internet gaming gross revenues. The investment alternative tax
15 established by section 3 of P.L.1984, c.218 (C.5:12-144.1) shall
16 apply to Internet gaming gross revenues, except that the investment
17 alternative tax on these revenues shall be **[5%]** 5 percent and the
18 investment alternative shall be **[2.5%]** 2.5 percent, with the
19 proceeds thereof used as provided in that section.
20 (cf: P.L.2013, c.27, s.17)

21
22 2. Section 7 of P.L.2018, c.33 (C.5:12A-16) is amended to read
23 as follows:

24 7. The sums received by the casino from sports wagering or
25 from a joint sports wagering operation, less only the total of all
26 sums actually paid out as winnings to patrons, shall not be taxed as
27 gross revenue as specified under section 24 of P.L.1977, c.110
28 (C.5:12-24) but shall be subject to an 8.5 percent tax, except that
29 sums received from Internet wagering on sports events, less only
30 the total of all sums actually paid out as winnings to patrons, shall
31 be subject to a **[13]** 30 percent tax, which shall be paid to the
32 Casino Revenue Fund, and to an additional tax of 1.25 percent
33 which shall be remitted by the State Treasurer to the Casino
34 Reinvestment Development Authority for marketing and promotion
35 of the City of Atlantic City, provided, however, that the cash
36 equivalent value of any merchandise or thing of value included in a
37 jackpot or payout shall not be included in the total of all sums paid
38 out as winnings to patrons for purposes of determining revenue
39 under this paragraph.

40 The net revenues actually received by the horse racing permit
41 holder from any sports wagering operation at the Meadowlands
42 Racetrack, including Internet wagering on sports events, either
43 jointly established with a casino or established independently or
44 with non-casino partners, less the total of all sums actually paid out
45 for any operating expenses and as winnings to patrons, shall be paid

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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1 by the Meadowlands Racetrack to the Standardbred Breeders and
2 Owners' Association of New Jersey and the New Jersey
3 Thoroughbred Horsemen's Association pursuant to the terms of a
4 written agreement between the Meadowlands Racetrack and each
5 association. A written agreement shall be in effect for as long as a
6 sports wagering operation is conducted at the Meadowlands
7 Racetrack.

8 The net revenues actually received by the horse racing permit
9 holder from any sports wagering operation at the Monmouth Park
10 Racetrack, including Internet wagering on sports events, either
11 jointly established with a casino or established independently or
12 with non-casino partners, less the total of all sums actually paid out
13 for any operating expenses and as winnings to patrons, shall be paid
14 by Monmouth Park Racetrack to the New Jersey Thoroughbred
15 Horsemen's Association pursuant to the terms of a written
16 agreement between Monmouth Park Racetrack and that association.
17 A written agreement shall be in effect for as long as a sports
18 wagering operation is conducted at Monmouth Park Racetrack.

19 The net revenues actually received by the horse racing permit
20 holder from any sports wagering operation at the Freehold
21 Raceway, including Internet wagering on sports events, either
22 jointly established with a casino or established independently or
23 with non-casino partners, less the total of all sums actually paid out
24 for any operating expenses and as winnings to patrons, shall be paid
25 by Freehold Raceway to the Standardbred Breeders and Owners'
26 Association of New Jersey pursuant to the terms of a written
27 agreement between Freehold Raceway and that association. A
28 written agreement shall be in effect for as long as a sports wagering
29 operation is conducted at Freehold Raceway.

30 The sums actually received by the horse racing permit holder
31 from any sports wagering operation, either jointly established with a
32 casino or established independently or with non-casino partners,
33 less only the total of all sums actually paid out as winnings to
34 patrons, shall be subject to an 8.5 percent tax, except that sums
35 received from Internet wagering on sports events, less only the total
36 of all sums actually paid out as winnings to patrons, shall be subject
37 to a **[13]** 30 percent tax, to be collected by the division and paid to
38 the State General Fund and to an additional tax of 1.25 percent on
39 amounts actually received from a sports wagering operation, less
40 only the total of all sums actually paid out as winnings to patrons,
41 to be paid, except as provided below with respect to amounts
42 generated by the Meadowlands racetrack, to the Department of the
43 Treasury for distribution, upon application by a municipality or
44 county, to the municipality in which the majority of the racetrack is
45 located and to the county in which the racetrack is located or to an
46 economic development authority of that municipality and county
47 with those amounts used for economic development purposes,
48 which shall include, but not be limited to, improvements to:

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1 transportation and infrastructure, tourism, public safety, and
2 properties located on or near the racetrack, provided, however, that
3 the cash equivalent value of any merchandise or thing of value
4 included in a jackpot or payout shall not be included in the total of
5 all sums paid out as winnings to patrons for purposes of
6 determining revenue under this paragraph. The Department of the
7 Treasury shall establish an account for each eligible municipality
8 and county and shall ensure that the amounts generated from the
9 racetrack shall only be distributed to the municipality in which the
10 majority of the racetrack is located and county in which the
11 racetrack is located with 0.75 percent paid to the municipality and
12 0.5 percent paid to the county, except that amounts generated from
13 the Meadowlands racetrack shall be paid into the intermunicipal
14 account, established pursuant to section 53 of P.L.2015, c.19
15 (C.5:10A-53), and used to pay Meadowlands adjustment payments
16 to municipalities in the Meadowlands district.

17 A percentage of the fee paid for a license to operate a sports pool
18 shall be deposited into the State General Fund for appropriation by
19 the Legislature to the Department of Health to provide funds for
20 evidence-based prevention, education, and treatment programs for
21 compulsive gambling that meet the criteria developed pursuant to
22 section 2 of P.L.1993, c.229 (C.26:2-169), such as those provided
23 by the Council on Compulsive Gambling of New Jersey, and
24 including the development and implementation of programs that
25 identify and assist problem gamblers. The percentage shall be
26 determined by the division.

27 (cf: P.L.2019, c.36, s.3)

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29 3. This act shall take effect January 1 next following the date of
30 enactment.

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STATEMENT

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35 This bill increases the Internet casino gaming tax and the Internet
36 sports wagering tax, from 15 and 13 percent respectively, to 30
37 percent.