[First Reprint] ASSEMBLY, No. 4002

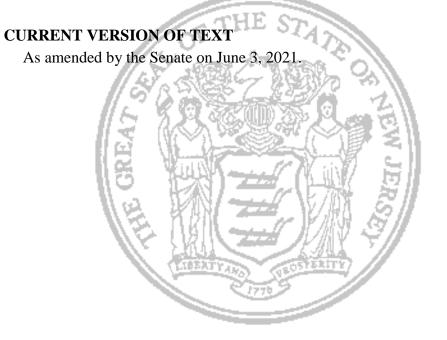
STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED MAY 4, 2020

Sponsored by: Assemblyman RALPH R. CAPUTO District 28 (Essex) Assemblyman RONALD S. DANCER District 12 (Burlington, Middlesex, Monmouth and Ocean) Assemblywoman CAROL A. MURPHY District 7 (Burlington) Senator VIN GOPAL District 11 (Monmouth) Senator PAUL A. SARLO District 36 (Bergen and Passaic)

SYNOPSIS

Allows deduction of promotional gaming credit from gross revenue on sports wagering.



(Sponsorship Updated As Of: 6/3/2021)

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AN ACT concerning promotional gaming credits for sports wagering and supplementing P.L.2018, c.33 (C.5:12A-10 et seq.).

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BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

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1. a. A casino or racetrack that holds a sports wagering license
shall receive an annual deduction from the gross revenue taxed
pursuant to section 7 of P.L.2018, c.33 (C.5:12A-16) in an amount
equal to the promotional gaming credits, whether or not such amounts
include a play-through requirement or other restriction, actually
wagered by patrons, that are reported by that licensee in its annual tax
return.

14 b. (1) A casino or racetrack that holds a sports wagering license 15 shall be allowed the deduction, pursuant to subsection a. of this section, from gross revenues from Internet sports wagering for a tax 16 17 year for the total value of promotional gaming credits actually wagered 18 by patrons for that tax year in excess of \$12,000,000. For the first tax 19 year in which this act takes effect, the division shall reduce the 20 \$12,000,000 deduction threshold for that tax year in proportion to the 21 part of the tax year that has elapsed prior to the effective date of this 22 act.

23 (2) A casino or racetrack that holds a sports wagering license shall 24 be allowed the deduction, pursuant to subsection a. of this section, 25 from gross revenues from non-Internet sports wagering for a tax year 26 for the total value of promotional gaming credits actually wagered by 27 patrons at all licensed casinos and racetracks for that tax year in excess 28 of \$8,000,000. For the first tax year in which this act takes effect, the 29 division shall reduce the \$8,000,000 deduction threshold for that tax 30 year in proportion to the part of the tax year that has elapsed prior to 31 the effective date of this act.

c. (1) The division shall establish, by regulation, procedures to 32 33 ensure that the promotional gaming credit deduction established 34 pursuant to this section does not result in a negative fiscal impact to 35 the Casino Revenue Fund, or the General Fund as appropriate under 36 section 7 of P.L.2018, c.33 (C.5:12A-16). If necessary, the division 37 may reduce the value of the available deduction to eliminate any 38 negative fiscal impact to the Casino Revenue Fund, or the General 39 Fund as appropriate, attributable solely to the deduction and not to 40 other economic or other factors that cause a negative fiscal impact to 41 the Casino Revenue Fund, or the General Fund as appropriate.

42 (2) For the purposes of this subsection, "negative fiscal impact to
43 the Casino Revenue Fund or the General Fund" shall mean that the
44 amount generated from taxation of promotional gaming credits falls
45 below the level generated in calendar year 2017.

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 <u>thus</u> is new matter.

Matter enclosed in superscript numerals has been adopted as follows: ¹Senate floor amendments adopted June 3, 2021.

A4002 [1R] CAPUTO, DANCER 3

1 ¹<u>d.</u> No deduction shall be allowed pursuant to this section for any 2 promotional gaming credits included in the calculation of any other 3 deduction for promotional gaming credits, including, but not limited 4 to, the deduction allowed pursuant to section 2 of P.L.2008, c.12 5 <u>(C.5:12-144.2).</u>¹ 6 7

2. This act shall take effect immediately.