

**SENATE, No. 3994**

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**STATE OF NEW JERSEY**

**219th LEGISLATURE**

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INTRODUCED JUNE 21, 2021

**Sponsored by:**

**Senator STEPHEN M. SWEENEY**

**District 3 (Cumberland, Gloucester and Salem)**

**SYNOPSIS**

Temporarily modifies taxes and credits of casino licensees; permanently redefines promotional gaming credits to include certain coupons and table game wagers; requires priority funding for senior and disabled transportation services.

**CURRENT VERSION OF TEXT**

As introduced.



1   **AN ACT** concerning temporary modifications to the taxes and credits  
2       of casino licensees, permanent modifications to the types of  
3       promotional gaming credits, and priority funding for certain  
4       programs funded from the Casino Revenue Fund, and amending  
5       P.L.2008, c.12 and P.L.1983, c.578.

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

9  
10       1. a. Notwithstanding the provisions of the “Casino Control Act,”  
11       P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule, or regulation to  
12       the contrary, the Division of Gaming Enforcement shall calculate the  
13       projected taxable revenue for each casino licensee for the 12-month  
14       period beginning January 2021 and ending December 31, 2021.  
15       Projected taxable revenue shall be determined by subtracting the  
16       amount of promotional gaming credits eligible for a deduction  
17       pursuant to section 2 of P.L.2008, c.12 (C.5:12-144.2) from the  
18       projected gross revenue of each casino licensee over that 12-month  
19       period. The division shall then apply the tax rates set forth in  
20       subsection b. of this section to the projected taxable revenue of each  
21       casino licensee, and the division shall also apply an 8 percent tax rate  
22       to the taxable gross revenue of each casino licensee. Each casino  
23       licensee shall be allowed a credit against the tax imposed under  
24       section 144 of P.L.1977, c.110 (C.5:12-144) for the 12-month period  
25       following the effective date of this act in an amount representing the  
26       difference between the amount calculated by applying an 8 percent  
27       tax rate to the projected taxable gross revenue of each casino licensee  
28       and the amount calculated by applying the tax rates set forth in  
29       subsection b. of this section to the projected taxable revenue of each  
30       casino licensee. This credit shall be allowed in monthly installments  
31       in one-twelfth increments.

32       b. The Division of Gaming Enforcement shall calculate the casino  
33       win of each casino licensee for the four month period beginning  
34       January 2021 and ending April 30, 2021 as a percentage of the casino  
35       win of each casino gaming property for the four month period  
36       comprised of January 2020, February 2020, March 2019, and April  
37       2019. For the purposes of the calculation performed pursuant to  
38       subsection a. of this section, the rate applicable to a casino licensee  
39       shall be as follows:

40       (1) for each casino licensee for which casino win for the four  
41       month period beginning January 2021 and ending April 30, 2021 are  
42       at least 50 percent and less than 75 percent of the casino win for the  
43       four month period comprised of January 2020, February 2020, March  
44       2019, and April 2019, the tax rate used for the calculation performed  
45       pursuant to subsection a. of this section shall be 6.8 percent; and

**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.

1 (2) for each casino licensee for which casino win for the four-  
2 month period beginning January 2021 and ending April 30, 2021 are  
3 at least 75 percent and less than 100 percent of the casino win for the  
4 for the four month period comprised of January 2020, February 2020,  
5 March 2019, and April 2019, the tax rate used for the calculation  
6 performed pursuant to subsection a. of this section shall be 7.4  
7 percent.

8 c. A casino licensee for which casino win for the four-month  
9 period beginning January 2021 and ending April 30, 2021 are 100  
10 percent or more of the casino win for the for the four month period  
11 comprised of January 2020, February 2020, March 2019, and April  
12 2019 shall be allowed a credit against the tax imposed under section  
13 144 of P.L.1977, c.110 (C.5:12-144) for the 12-month period  
14 following the effective date of this act in an amount that is 90 percent  
15 of the lowest credit dollar amount allowed to a casino pursuant to the  
16 calculation performed under subsection a. of this section. This credit  
17 shall be allowed in monthly installments in one-twelfth increments.

18 d. Each casino licensee allowed a credit under this section shall  
19 submit to the State Treasurer and the Division of Gaming  
20 Enforcement, at the same time that the credit is claimed, a report  
21 documenting that an amount equal to the entire dollar amount  
22 allowed as a credit under this act is being expended by the licensee  
23 for any of the following purposes:

24 (1) the prompt re-hiring and employment of the casino licensee's  
25 former employees and new applicants, which shall include a  
26 certification by each casino licensee that the licensee has made a  
27 good faith effort to rehire former and new employees commensurate  
28 with an increase in business activity;

29 (2) attracting tourists, gaming, and hospitality patrons to visit and  
30 stay at the casino hotel property;

31 (3) marketing and promotion for events that would draw visitors  
32 to the property or Atlantic City, such as entertainment and  
33 conventions; and

34 (4) any other activity deemed by the State Treasurer or the  
35 division to be beneficial to the return of pre-emergency economic,  
36 gaming, and tourism levels to Atlantic City.

37 A casino licensee's failure to submit the report required under this  
38 subsection shall deem the licensee ineligible to receive the credit  
39 under this act for each month.

40  
41 2. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read  
42 as follows:

43 1. "Promotional gaming credit" - A slot machine credit, sports  
44 wagering credit, match play coupon, table game wager coupon, or  
45 other item approved by the division that is issued by a licensee to a  
46 patron for the purpose of enabling the placement of a wager at a slot  
47 machine, a gaming table, or in a sports pool in the licensee's casino  
48 or through the licensee's Internet gaming system. No such credit shall

1 be reported as a promotional gaming credit unless the casino licensee  
2 can establish that the credit was issued by the casino licensee and  
3 received from a patron as a wager at a slot machine, a gaming  
4 table, or in a sports pool in the licensee's casino or Internet gaming  
5 system.

6 (cf: P.L.2018, c.33, s.13)

7  
8 3. Notwithstanding the provisions of section 2 of P.L.2008, c.12  
9 (C.5:12-144.2), and any other law, rule, or regulation to the contrary,  
10 a casino licensee shall be entitled during the 24-month period  
11 commencing on the first day of the calendar month following the  
12 effective date of this act, P.L. , c. (pending before the Legislature  
13 as this bill), and ending on the last day of the 24th month thereafter  
14 to receive a monthly deduction from the gross revenue taxed pursuant  
15 to subsection a. of section 144 of P.L.1977, c.110 (C.5:12-144) in an  
16 amount equal to the full amount of promotional gaming credits,  
17 including match play coupons and table game wager coupons,  
18 reported each month by that licensee. The \$90,000,000 threshold  
19 specified under section 2 of P.L.2008, c.12 (C.5:12-144.2) shall not  
20 apply during the 24-month period specified under this section.

21  
22 4. No casino operator shall use funds or savings resulting from  
23 P.L. , c. (pending before the Legislature as this bill) to repurchase  
24 stock or stock options, issue a dividend, or provide for bonuses for  
25 any officer or executive employee.

26  
27 5. Nothing in this act, P.L. , c. (pending before the Legislature  
28 as this bill) shall affect the tax liabilities imposed on any amount  
29 received by a casino from casino simulcasting pursuant to the  
30 "Casino Simulcasting Act," P.L.1992, c.19 (C.5:12-191 et al.), from  
31 Internet gaming pursuant to section 17 of P.L.2013, c.27 (C.5:12-  
32 95.19), or from sports wagering pursuant to P.L.2018, c.33 (C.5:12A-  
33 10 et al.).

34  
35 6. Section 4 of P.L.1983, c.578 (C.27:25-28) is amended to read as  
36 follows:

37 4. a. The board shall establish and administer a program to be known  
38 as "The Senior Citizen and Disabled Resident Transportation Assistance  
39 Program" for the following purposes:

40 (1) To assist counties to develop and provide accessible feeder  
41 transportation service to accessible fixed-route transportation services  
42 where such services are available, and accessible local transit service to  
43 senior citizens and the disabled, which may include but not be limited  
44 to door-to-door service, fixed route service, local fare subsidy, and user-  
45 side subsidy, which may include but not be limited to private ride or taxi  
46 fare subsidy; and to coordinate the activities of the various participants  
47 in this program in providing the services to be rendered at the county  
48 level and between counties; and

1 (2) To enable the corporation to develop, provide and maintain  
2 capital improvements that afford accessibility to fixed route and other  
3 transit services in order to make rail cars, rail stations, bus shelters and  
4 other bus equipment accessible to senior citizens and the disabled; to  
5 render technical information and assistance to counties eligible for  
6 assistance under this act; and to coordinate the program within and  
7 among counties.

8 b. In the State fiscal year beginning July 1 following the effective  
9 date of P.L.2009, c.261 and in each fiscal year thereafter, there shall be  
10 appropriated to the corporation from the revenues deposited in the  
11 Casino Revenue Fund established pursuant to section 145 of P.L.1977,  
12 c.110 (C.5:12-145) a sum equal to 8.5% of the revenues deposited in the  
13 fund during the preceding fiscal year, as determined by the State  
14 Treasurer, to effectuate the purposes and provisions of P.L.1983, c.578  
15 (C.27:25-25 et seq.).

16 Notwithstanding the provisions of any other law, rule, or regulation  
17 to the contrary, for the State Fiscal Year 2021 and State Fiscal Year  
18 2022, appropriations to the corporation from the revenues deposited in  
19 the Casino Revenue Fund shall be given priority to ensure that the  
20 corporation receives an amount equal to 8.5% of the revenues deposited  
21 in the fund during the State Fiscal Year 2019, as determined by the State  
22 Treasurer, to effectuate the purposes and provisions of P.L.1983, c.578  
23 (C.27:25-25 et seq.).

24 (cf: P.L.2009, c.261, s.1)

25  
26 7. This act shall take effect immediately.  
27  
28

## 29 STATEMENT

30  
31 This bill temporarily modifies the taxes and credits of casino  
32 licensees, permanently redefines promotional gaming credits to  
33 include certain coupons and table game wagers, and requires priority  
34 funding for senior and disabled transportation services.

35 Under the bill, Division of Gaming Enforcement would calculate  
36 the projected taxable revenue for each casino licensee for the 12-  
37 month period beginning January 2021 and ending December 31,  
38 2021. The projected taxable revenue would be determined by  
39 subtracting the amount of promotional gaming credits eligible for a  
40 deduction pursuant to current law from the projected gross revenue  
41 of each casino licensee over that 12-month period. The division  
42 would then apply the tax rates set forth in the bill to the projected  
43 taxable revenue of each casino licensee, and the division would also  
44 apply an 8 percent tax rate to the taxable gross revenue of each casino  
45 licensee. Under the bill, each casino licensee would be allowed a  
46 credit against the tax imposed under current law for the 12-month  
47 period following the effective date of the bill in an amount  
48 representing the difference between the amount calculated by

1 applying an 8 percent tax rate to the projected taxable gross revenue  
2 of each casino licensee and the amount calculated by applying the tax  
3 rates set forth in the bill to the projected taxable revenue of each  
4 casino licensee. Under the bill, this credit would be allowed in  
5 monthly installments in one-twelfth increments.

6 Under the bill, the Division of Gaming Enforcement would  
7 calculate the casino win of each casino licensee for the four month  
8 period beginning January 2021 and ending April 30, 2021 as a  
9 percentage of the casino win of each casino gaming property for the  
10 four month period comprised of January 2020, February 2020, March  
11 2019, and April 2019. For the purposes of the calculation performed  
12 under the bill, the rate applicable to a casino licensee would be as  
13 follows:

14 (1) for each casino licensee for which casino win for the four  
15 month period beginning January 2021 and ending April 30, 2021 are  
16 at least 50 percent and less than 75 percent of the casino win for the  
17 four month period comprised of January 2020, February 2020, March  
18 2019, and April 2019, the tax rate used for the calculation performed  
19 under the bill would be 6.8 percent; and

20 (2) for each casino licensee for which casino win for the four-  
21 month period beginning January 2021 and ending April 30, 2021 are  
22 at least 75 percent and less than 100 percent of the casino win for the  
23 for the four month period comprised of January 2020, February 2020,  
24 March 2019, and April 2019, the tax rate used for the calculation  
25 performed under the bill would be 7.4 percent.

26 Under the bill, a casino licensee for which casino win for the four-  
27 month period beginning January 2021 and ending April 30, 2021 are  
28 100 percent or more of the casino win for the for the four month  
29 period comprised of January 2020, February 2020, March 2019, and  
30 April 2019 would be allowed a credit against the tax imposed under  
31 current law for the 12-month period following the effective date of  
32 the bill in an amount that is 90 percent of the lowest credit dollar  
33 amount allowed to a casino pursuant to the calculation performed  
34 under subsection a. of this section. This credit would be allowed in  
35 monthly installments in one-twelfth increments.

36 The bill also requires that each casino licensee allowed a credit  
37 under the bill submit a report to the State Treasurer and the Division  
38 of Gaming Enforcement, at the same time that the credit is claimed  
39 that documents that an amount equal to the entire dollar amount  
40 allowed as a credit under this bill is being expended by the licensee  
41 to: (1) promptly re-hire and employ former employees and new  
42 applicants; (2) attract tourists, gaming, and hospitality patrons to visit  
43 and stay at the casino hotel property; (3) market and promote events  
44 that would draw visitors to the property or Atlantic City, such as  
45 entertainment and conventions; and (4) any other activity the State  
46 Treasurer or the division deem beneficial to the return of pre-  
47 emergency economic, gaming, and tourism levels to Atlantic City.

1 Under the bill, each casino licensee is permitted to take a  
2 deduction against gross revenues equal to the full amount of  
3 promotional gaming credits, including match play and table game  
4 coupons that are issued by the licensee and redeemed its patrons.  
5 Currently, casinos are permitted to take such deductions only for the  
6 amount of promotional gaming credits redeemed in a tax year that  
7 exceed \$90,000,000. Under the bill, a casino licensee would be  
8 entitled during the 24-month period commencing on the first day of  
9 the calendar month following the effective date of the bill and ending  
10 on the last day of the 24th month thereafter to receive a monthly  
11 deduction from the gross revenue taxed.

12 Under the bill, a casino operator is prohibited from using any  
13 funds or savings resulting from enactment of the bill to repurchase  
14 stock or stock options, issue a dividend, or provide for bonuses for  
15 any officer or executive employee.

16 The bill also includes State Fiscal Year 2021 and State Fiscal Year  
17 2022 in the requirement that appropriations to the New Jersey Transit  
18 Corporation from the revenues deposited in the Casino Revenue Fund  
19 will be given priority to ensure that the corporation receives an  
20 amount equal to 8.5 percent of the revenues deposited in the fund  
21 during the State Fiscal Year 2019.