

[First Reprint]

SENATE, No. 3994

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED JUNE 21, 2021

Sponsored by:

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District 3 (Cumberland, Gloucester and Salem)

Assemblyman LOUIS D. GREENWALD

District 6 (Burlington and Camden)

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District 7 (Burlington)

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Assemblyman Caputo

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 reported by the Senate Budget and Appropriations Committee on December 6, 2021, with amendments.

(Sponsorship Updated As Of: 12/20/2021)

1 AN ACT concerning temporary modifications to the taxes and
2 credits of casino licensees, permanent modifications to the types
3 of 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
11 Act,” P.L.1977, c.110 (C.5:12-1 et seq.), or any law, rule, or
12 regulation to the contrary, the Division of Gaming Enforcement
13 shall calculate the ¹**【projected】** adjusted¹ taxable revenue for each
14 casino licensee for the 12-month period beginning January ¹1,¹
15 2021 and ending December 31, 2021. ¹**【Projected】** Adjusted¹
16 taxable revenue shall be determined by subtracting the amount of
17 promotional gaming credits eligible for a deduction pursuant to
18 section 2 of P.L.2008, c.12 (C.5:12-144.2) from the ¹**【projected】**
19 actual¹ gross revenue of each casino licensee over that 12-month
20 period. The division shall then apply the tax rates set forth in
21 subsection b. of this section to the ¹**【projected】** adjusted¹ taxable
22 revenue of each casino licensee, and the division shall also apply an
23 8 percent tax rate to the taxable gross revenue of each casino
24 licensee. Each casino licensee shall be allowed a credit against the
25 tax imposed under section 144 of P.L.1977, c.110 (C.5:12-144) for
26 the 12-month period following the effective date of this act in an
27 amount representing the difference between the amount calculated
28 by applying an 8 percent tax rate to the ¹**【projected】** adjusted¹
29 taxable gross revenue of each casino licensee and the amount
30 calculated by applying the tax rates set forth in subsection b. of this
31 section to the ¹**【projected】** adjusted¹ taxable revenue of each casino
32 licensee. This credit shall be allowed in monthly installments in
33 one-twelfth increments.

34 b. The Division of Gaming Enforcement shall calculate the
35 casino win of each casino licensee for the four month period
36 beginning January ¹1,¹ 2021 and ending April 30, 2021 as a
37 percentage of the casino win of each casino gaming property for the
38 four month period comprised of January 2020, February 2020,
39 March 2019, and April 2019. For the purposes of the calculation
40 performed pursuant to subsection a. of this section, the rate
41 applicable to a casino licensee shall be as follows:

42 (1) for each casino licensee for which casino win for the four
43 month period beginning January ¹1,¹ 2021 and ending April 30,
44 2021 are at least 50 percent and less than 75 percent of the casino

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.

Matter enclosed in superscript numerals has been adopted as follows:

¹Senate SBA committee amendments adopted December 6, 2021.

1 win for the four month period comprised of January 2020, February
2 2020, March 2019, and April 2019, the tax rate used for the
3 calculation performed pursuant to subsection a. of this section shall
4 be 6.8 percent; and

5 (2) for each casino licensee for which casino win for the four-
6 month period beginning January ¹1,¹ 2021 and ending April 30,
7 2021 are at least 75 percent and less than 100 percent of the casino
8 win for the ¹~~for the~~¹ four month period comprised of January
9 2020, February 2020, March 2019, and April 2019, the tax rate used
10 for the calculation performed pursuant to subsection a. of this
11 section shall be 7.4 percent.

12 c. A casino licensee for which casino win for the four-month
13 period beginning January ¹1,¹ 2021 and ending April 30, 2021 are
14 100 percent or more of the casino win for the ¹~~for the~~¹ four
15 month period comprised of January 2020, February 2020, March
16 2019, and April 2019 shall be allowed a credit against the tax
17 imposed under section 144 of P.L.1977, c.110 (C.5:12-144) for the
18 12-month period following the effective date of this act in an
19 amount that is 90 percent of the lowest credit dollar amount allowed
20 to a casino pursuant to the calculation performed under subsection
21 a. of this section. This credit shall be allowed in monthly
22 installments in one-twelfth increments.

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

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

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

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

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

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

45
46 2. Section 1 of P.L.2008, c.12 (C.5:12-38a) is amended to read
47 as follows:

1 1. “Promotional gaming credit” - A slot machine credit, sports
2 wagering credit, match play coupon, table game wager coupon, or
3 other item approved by the division that is issued by a licensee to a
4 patron for the purpose of enabling the placement of a wager at a slot
5 machine, a gaming table, or in a sports pool in the licensee's casino
6 or through the licensee's Internet gaming system. No such credit
7 shall be reported as a promotional gaming credit unless the casino
8 licensee can establish that the credit was issued by the casino
9 licensee and received from a patron as a wager at a slot machine, a
10 gaming table, or in a sports pool in the licensee's casino or Internet
11 gaming system.

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

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

28
29 4. No casino operator shall use funds or savings resulting from
30 P.L. , c. (pending before the Legislature as this bill) to
31 repurchase stock or stock options, issue a dividend, or provide for
32 bonuses for any officer or executive employee.

33
34 5. Nothing in this act, P.L. , c. (pending before the
35 Legislature as this bill) shall affect the tax liabilities imposed on
36 any amount received by a casino from casino simulcasting pursuant
37 to the “Casino Simulcasting Act,” P.L.1992, c.19 (C.5:12-191 et
38 al.), from Internet gaming pursuant to section 17 of P.L.2013, c.27
39 (C.5:12-95.19), or from sports wagering pursuant to P.L.2018, c.33
40 (C.5:12A-10 et al.).

41
42 6. Section 4 of P.L.1983, c.578 (C.27:25-28) is amended to read
43 as follows:

44 4. a. The board shall establish and administer a program to be
45 known as “The Senior Citizen and Disabled Resident
46 Transportation Assistance Program” for the following purposes:

47 (1) To assist counties to develop and provide accessible feeder
48 transportation service to accessible fixed-route transportation

1 services where such services are available, and accessible local
2 transit service to senior citizens and the disabled, which may
3 include but not be limited to door-to-door service, fixed route
4 service, local fare subsidy, and user-side subsidy, which may
5 include but not be limited to private ride or taxi fare subsidy; and to
6 coordinate the activities of the various participants in this program
7 in providing the services to be rendered at the county level and
8 between counties; and

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

16 b. In the State fiscal year beginning July 1 following the
17 effective date of P.L.2009, c.261 and in each fiscal year thereafter,
18 there shall be appropriated to the corporation from the revenues
19 deposited in the Casino Revenue Fund established pursuant to
20 section 145 of P.L.1977, c.110 (C.5:12-145) a sum equal to
21 ¹~~8.5%~~ 8.5 percent¹ of the revenues deposited in the fund during
22 the preceding fiscal year, as determined by the State Treasurer, to
23 effectuate the purposes and provisions of P.L.1983, c.578 (C.27:25-
24 25 et seq.).

25 Notwithstanding the provisions of any other law, rule, or
26 regulation to the contrary, for the State Fiscal ¹~~Year 2021 and~~
27 State Fiscal Year¹ ~~Years~~ 2022¹, 2023, and 2024¹, appropriations
28 to the corporation from the revenues deposited in the Casino
29 Revenue Fund ¹or the Property Tax Relief Fund, as appropriate,¹
30 shall be given priority to ensure that the corporation receives an
31 amount equal to ¹~~8.5%~~ 8.5 percent¹ of the ¹sum of the¹ revenues
32 deposited in the ¹~~fund~~ Casino Revenue Fund¹ during the ¹~~State~~
33 Fiscal Year 2019¹ preceding fiscal year, adding back any reductions
34 in revenues during the preceding fiscal year that directly resulted
35 from the temporary credit allowable under section 1 of P.L. ,
36 c. (pending before the Legislature as this bill) or the temporary
37 deduction allowable under section 3 of the P.L. , c. (pending
38 before the Legislature as this bill)¹ , as determined by the State
39 Treasurer, to effectuate the purposes and provisions of P.L.1983,
40 c.578 (C.27:25-25 et seq.).

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

42
43 7. This act shall take effect immediately.