

FISCAL NOTE

Return in triplicate)

Bill/Resolution No.: \_\_\_\_\_ Amendment to: Eng. HB 1516

Requested by Legislative Council      Date of Request: 4-23-93

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, and cities.

Narrative:

In regard to section 1 of the bill, the bill increases the excise tax applied to the gross proceeds of pull tabs. The excise tax is increased from the present rate of two percent to a new rate of four and one-half percent.

2. State fiscal effect in dollar amounts:

	<u>1991-93</u> <u>Biennium</u>		<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>	
	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Funds</u>
Revenues:	-0-	-0-	\$8,200,000*	-0-	Not yet determined	-0-
Expenditures:	-0-	-0-	-0-	-0-	-0-	-0-

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1991-93 biennium: -0-
- b. For the 1993-95 biennium: -0-
- c. For the 1995-97 biennium: -0-

4. County and City fiscal effect in dollar amounts:

	<u>1991-93</u> <u>Biennium</u>		<u>1993-95</u> <u>Biennium</u>		<u>1995-97</u> <u>Biennium</u>	
	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>	<u>Counties</u>	<u>Cities</u>
	-0-	-0-	-0-	-0-	-0-	-0-

If additional space is needed, attach a supplemental sheet.

Signed CK by Bill A. Keller

Typed Name Charles W. Keller

Date Prepared: April 23, 1993

Department Attorney General's Office

Phone Number 4482

OFFICE OF ATTORNEY GENERAL  
April 21, 1993

AMENDMENT TO HOUSE BILL NO. 1516 - SECTION 1

Overview of the Tax Effect of Increasing the Excise Tax on Pull Tabs  
To Four and One-Half Percent Presuming a Pass Through to Players  
By Reducing the Prize Payouts

(in thousands)

1993-95 Biennium

<u>H.B. NO. 1516 - Section 1</u>	<u>Original Forecast</u>	<u>HB 1516 Forecast</u>	<u>Difference</u>
Gross Proceeds - All Games	\$617,820	\$617,820	\$ 0
Prizes	<u>501,157</u>	<u>492,957</u>	<u>(8,200)</u>
Subtotal	116,663	124,863	8,200
Less:			
Other	271	271	0
2%/4 1/2% Pull Tab Excise Tax	<u>7,496</u>	<u>15,696</u>	<u>8,200</u>
<b>Adjusted Gross Proceeds</b>	108,896	108,896	0
Gaming Tax (5%/10%/15%/20%)	7,622	7,622	0
Allowable Expenses (50%/45%)	53,359	53,359	0
Net Proceeds (Charity)	47,915	47,915	0

Taxes Summary:

2%/4 1/2% Pull Tab Excise Tax	7,496	15,696	8,200
Gaming Tax	<u>7,622</u>	<u>7,622</u>	<u>0</u>
Totals	\$ 15,118	\$ 23,318	\$ 8,200*

This is the forecasted fiscal effect of the bill. However, the amount forecasted may have to be adjusted by an indeterminable amount because of several factors. Those factors are:

1. Some organizations that oppose an increase in the excise tax may discontinue conducting games of chance.
2. Some organizations may not pass the excise tax through to players. This would decrease the organizations' adjusted gross proceeds that is subject to the gaming tax causing a decrease in gaming tax due.
3. There may be a reduction in gaming activity due to the lower prize payback.

Since it is impossible to determine the exact effect that those factors may have on the total amount, this is an attempt to make the committee aware that factors may exist that impact the amount forecasted.