

# DEPARTMENT OF TAXATION

## 2020 Fiscal Impact Statement

1. **Patron** Roslyn C. Tyler

2. **Bill Number** HB 1708

3. **Committee** House General Laws

**House of Origin:**

  X   **Introduced**

       **Substitute**

       **Engrossed**

4. **Title** Electronic Gaming Machines; City and Town  
Taxation

**Second House:**

       **In Committee**

       **Substitute**

       **Enrolled**

### 5. **Summary/Purpose:**

This bill would authorize any city or town having general taxing powers established by charter to impose a tax on the use of electronic gaming machines. The tax rate imposed would not be permitted to exceed 10 percent of the amount paid to an operator for the opportunity to play the electronic gaming machine. The tax would be collected by the operator and remitted to the city or town according to forms and procedures prescribed by such city or town.

Under current law, any city or town having general taxing powers established by charter is authorized to impose excise taxes on cigarettes, admissions, transient room rentals, meals, and travel campgrounds.

If enacted during the Regular Session of the 2020 General Assembly, this bill would become effective July 1, 2020.

6. **Budget amendment necessary:** No

7. **Fiscal Impact Estimates are:** Not available. (See Line 8.)

### 8. **Fiscal implications:**

#### Administrative Costs

This bill would have no impact on state administrative costs. However, it could result in administrative costs to cities and towns that impose a tax on electronic gaming machines.

#### Revenue Impact

This bill would have no impact on state revenues. It could result in a positive revenue impact to cities and towns that impose a tax on electronic gaming machines.

**9. Specific agency or political subdivisions affected:**

Cities and towns

**10. Technical amendment necessary: No**

**11. Other comments:**

Background

Under current law, any city or town having general taxing powers established by charter may impose excise taxes on cigarettes, admissions, transient room rentals, meals, and travel campgrounds.

Proposal

This bill would authorize any city or town having general taxing powers established by charter to impose a tax on the use of electronic gaming machines. The tax rate imposed would not exceed 10 percent of the amount paid to an operator for the opportunity to play the electronic gaming machine. The tax would be collected by the operator and remitted to the city or town according to forms and procedures prescribed by such city or town.

This bill would provide the following definitions:

"Electronic gaming machine" means a mechanically, electrically, or electronically operated machine or device utilizing a video display and microprocessors that, with the exchange of anything of value from the player, is available to play a game of skill in which the player may win a prize depending on the outcome of the game.

"Game" means a game based on or involving the matching of different pictures, words, numbers, or symbols; a casino game; a gambling game; a playing card game; or any similar game. "Game" includes poker, line up, blackjack, bingo, craps, keno, lotto, eight-liner, and pot-of-gold.

"Game of skill" means a game in which the element of the skill or dexterity of the player predominates over any element of chance or luck in determining the outcome of the game.

"Operator" means any person that operates an electronic gaming machine at a location that is open to the public.

If enacted during the Regular Session of the 2020 General Assembly, this bill would become effective July 1, 2020.

Similar Legislation

**House Bill 785, Senate Bill 484, and Senate Bill 588** would grant counties the same taxing powers now granted to cities and towns.

cc : Secretary of Finance

Date: 1/28/2020 SK  
HB1708F161