



Gross Casino Revenue Tax

Ohio voters passed a constitutional amendment in 2009 that provided for four casino facilities to be located in this state: Cleveland, Toledo, Columbus, and Cincinnati. Three casinos opened in calendar year 2012. Cincinnati's opened in February 2013.

The Ohio Department of Taxation is responsible for administering the gross casino revenue tax and for ensuring casino operators' compliance with all pertinent state tax laws and administrative rules. The Ohio Casino Control Commission is responsible for licensing and regulating casino operators, their employees, and gaming-related vendors.

The gross casino revenue tax is imposed on licensed casino operators at the rate of 33% of gross casino revenue at the casino facility. In fiscal year 2015, total collections were \$266.0 million.

Table 1	
Gross Casino Tax Receipts	
Fiscal Year	Tax Revenue
FY 2012	\$19,760,134
FY 2013	225,438,259
FY 2014	273,393,331
FY 2015	266,014,462

Source: Office of Budget & Management

Taxpayer

(Ohio Revised Code 5753.02)

The tax is paid by each casino operator of the four casino facilities authorized under the Ohio Constitution.

Tax Base

(R.C. 5753.01 and 5753.02)

The tax applies to all gross casino revenue received by each casino operator. "Gross casino revenue" means the total amount of money exchanged for the purchase of chips, tokens, tickets, electronic cards, or similar objects by casino patrons, less winnings paid to wagerers.

Rates

(R.C. 5753.02)

The tax rate is equal to 33 percent of an operator's gross casino revenue at the casino facility.

Major Exemptions

(R.C. 5753.01)

Promotional gaming credits issued to casino patrons are excluded from "gross casino revenue." However, if the issuance of the promotional gaming credit requires money exchanged as a match from a patron, the excludable portion does not include the portion of the wager purchased by the patron.

Revenue

Fiscal year 2015 tax collections totaled \$266.0 million, a 2.7 percent decrease from fiscal year 2014 revenues of \$273.4 million. Fiscal year 2014 was the first full year that all four casinos in the state were operational.

Disposition of Revenue

(Ohio Constitution, Article XV, Section 6(C), R.C. 5753.03 and 5753.11)

Revenue from the tax is distributed as follows:

- 51 percent to the Gross Casino Revenue County Fund, which is distributed among all 88 counties in proportion to each county's respective population at the time of distribution. If a county's most populous city, as of the 2000 U.S. census, had a population greater than 80,000, then 50 percent of that county's distribution will go to said city. In other counties, all revenue is directed to county government;
- 34 percent to the Gross Casino Revenue County Student Fund, which is distributed among all 88 counties in proportion to each county's respective public school district population of students at the time of distribution. Each distribution received by a county is distributed among all public school districts located (in whole or in part) within the county in proportion to each school district's respective student population who reside in the county at the time of the distribution. Funds are transferred to districts semi-annually by the last day of August and January;
- 5 percent to the Gross Casino Revenue Host City Fund, which is distributed to each host city where a casino is located;

- 3 percent to the Ohio State Racing Commission. Of this amount, 5 percent may be retained by the commission for operating expenses necessary for the administration of the fund;
- 3 percent to the Ohio Casino Control Commission. Of this amount, one percent is reserved for the tax commissioner to defray the costs incurred in administering the tax;
- 2 percent to the Problem Casino Gambling and Addiction Fund to assist efforts to lessen problem gambling and substance abuse and related research;
- 2 percent to the Ohio Law Enforcement Training Fund. Of this amount, 85 percent is directed to the Ohio Peace Officer Training Academy. The rest goes to the Department of Public Safety's Office of Criminal Justice Services.

2012	HB 386 made regulatory changes to Ohio's gambling laws, mainly affecting Ohio's Casino Control Commission, Racing Commission and Lottery Commission. Related provisions were included for the Inspector General, Attorney General, Development Services Agency and Department of Taxation. Also addressed were video lottery terminals, gambling addiction services, charitable gaming activities and sweepstakes terminal devices.
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Payment Dates

(R.C. 5753.01, 5753.02 and 5753.04)

The operators of each casino facility are required to electronically file returns and remit payments for the related tax liabilities, not later than noon, each day banks are open for business. Each return includes the amount of the casino operator's gross casino revenue for a 24-hour period and the amount of tax due.

Sections of the Revised Code

Chapter 5753.

Responsibility for Administration

(R.C. 5753.09)

The Tax Commissioner administers and enforces the tax.

History of Major Changes

2009	Voters approve constitutional amendment authorizing a casino each in Cincinnati, Cleveland, Columbus and Toledo, requiring a 33 percent tax on gross casino revenue and providing for the disposition of the revenue.
2010	HB 519 established casino gaming statutes in accordance with the constitutional amendment, created the Ohio Casino Control Commission and implemented the gross casino revenue tax.

Comparison with Other States

There are no casinos in Georgia and Tennessee. There are only Native American (or "Tribal") casinos in Texas and North Carolina.

State	Casinos	Tax
Indiana	Riverboats ¹ and racetrack casinos; 13 total operating	For riverboat casinos, a 22.5% tax or a graduated tax ranging from 5% to 40% applies to adjusted gross receipts. ² A \$3 admissions tax is levied on the owner or operating agent. ³ For racetrack casinos, a graduated slot tax ranges from 25% to 35% and applies to 91.5% of the adjusted gross receipts. ⁴
Michigan	Land-based casinos; 3 total operating (non-tribal)	A 19% total tax applies to gross gaming revenue. ⁵ Of this, 8.1% is distributed to the state school aid fund and 10.9% is distributed to the city of Detroit.
Pennsylvania	Land-based and racetrack casinos with slots and table games; 11 total operating (non-tribal)	A 34% tax ⁶ applies to gross gaming revenue from slot machines, and a 12% tax applies to daily gross table game revenue. ⁷
West Virginia	Four racetrack casinos and a resort casino with table games (and VLTs)	A 35% tax applies to adjusted gross receipts from table games. ⁸

1 Indiana law defines "riverboat" to be a self-propelled excursion boat, a casino located in a historic hotel district, a permanently moored craft operating from a county, and an inland casino operating under statute. I.C. § 4-33-2-17.
 2 I.C. § 4-33-13-1; 4-33-13-1.5.
 3 I.C. § 4-33-12-1.
 4 I.C. § 4-35-8-1.
 5 M.C.L.A. § 432.212.
 6 This rate does not include a local share assessment, a Race Horse Development Fund assessment, or a gaming economic development and tourism fund assessment. For more information, see 4 Pa.C.S. § 1403, 1405, 1407.
 7 This rate does not include a local share assessment and is the rate levied after the period of two years following commencement of table games at the facility. 4 Pa.C.S. § 13A63(f); 13A62. In addition to the tax payable under 4 Pa.C.S. § 13A62(a)(1), a 34% tax is levied on daily gross gaming revenue from each table game played on a fully automated electronic gaming table. 4 Pa.C.S. § 13A62(a)(2).
 8 W.Va. Code § 29-22C-26; 29-25-21.

Table 2		
Gross Casino Tax Distributions FY 2015		
Fund	Distributions	% Share
Gross Casino Revenue County Fund	\$137,699,091	51.0
Gross Casino Revenue Student Fund	91,799,394	34.0
Gross Casino Revenue Host City Fund	13,499,911	5.0
Casino Control Commission Fund	8,099,947	3.0
Ohio State Racing Commission Fund	8,099,947	3.0
Ohio Law Enforcement Training Fund	5,399,964	2.0
Problem Casino Gambling & Addictions Fund	5,399,964	2.0
Total Deposits	\$269,998,217	100.0
Source: Ohio Dept. of Taxation records		

Table 3					
Ohio's Gross Casino Revenue Tax FY 2015 Distributions to Counties					
County	Distributions	County	Distributions	County	Distributions
Adams	\$334,366	Hamilton ³	\$9,575,712	Muskingum	\$1,015,552
Allen	\$1,251,681	Hancock	\$899,959	Noble	\$173,190
Ashland	\$630,893	Hardin	\$376,821	Ottawa	\$489,495
Ashtabula	\$1,185,273	Harrison	\$185,576	Paulding	\$228,214
Athens	\$769,442	Henry	\$333,670	Perry	\$427,605
Auglaize	\$545,954	Highland	\$514,249	Pickaway	\$671,436
Belmont	\$827,176	Hocking	\$341,136	Pike	\$337,074
Brown	\$526,048	Holmes	\$519,438	Portage	\$1,943,057
Butler	\$4,424,810	Huron	\$699,923	Preble	\$495,937
Carroll	\$336,049	Jackson	\$389,830	Putnam	\$405,709
Champaign	\$468,306	Jefferson	\$807,577	Richland	\$1,448,934
Clark	\$1,620,803	Knox	\$724,382	Ross	\$924,424
Clermont	\$2,385,544	Lake	\$2,732,126	Sandusky	\$715,078
Clinton	\$498,580	Lawrence	\$735,579	Scioto	\$926,879
Columbiana	\$1,258,913	Licking	\$2,005,800	Seneca	\$664,325
Coshocton	\$436,502	Logan	\$541,050	Shelby	\$584,383
Crawford	\$508,185	Lorain	\$3,606,164	Stark ⁷	\$4,466,478
Cuyahoga ¹	\$15,014,459	Lucas ⁴	\$5,187,305	Summit ⁸	\$6,445,059
Darke	\$622,439	Madison	\$516,696	Trumbull	\$2,451,680
Defiance	\$458,250	Mahoning ⁵	\$2,779,731	Tuscarawas	\$1,102,634
Delaware	\$2,212,734	Marion	\$783,344	Union	\$635,468
Erie	\$903,884	Medina	\$2,083,889	Van Wert	\$338,513
Fairfield	\$1,775,273	Meigs	\$278,973	Vinton	\$157,784
Fayette	\$342,560	Mercer	\$485,246	Warren	\$2,614,430
Franklin ²	\$14,477,094	Miami	\$1,231,745	Washington	\$728,955
Fulton	\$505,650	Monroe	\$173,117	Wayne	\$1,370,117
Gallia	\$363,542	Montgomery ⁶	\$6,365,333	Williams	\$445,410
Geauga	\$1,118,723	Morgan	\$177,090	Wood	\$1,538,511
Greene	\$1,943,086	Morrow	\$417,058	Wyandot	\$266,710
Guernsey	\$471,309			Total Distributions	\$137,699,091

¹ Includes \$7,507,230 in distributions for the most populated city: Cleveland.

² Includes \$7,238,547 in distributions for the most populated city: Columbus.

³ Includes \$4,787,856 in distributions for the most populated city: Cincinnati.

⁴ Includes \$2,593,653 in distributions for the most populated city: Toledo.

⁵ Includes \$1,389,866 in distributions for the most populated city: Youngstown.

⁶ Includes \$3,182,666 in distributions for the most populated city: Dayton.

⁷ Includes \$2,233,239 in distributions for the most populated city: Canton.

⁸ Includes \$3,222,530 in distributions for the most populated city: Akron.

Source: Ohio Department of Taxation records.