



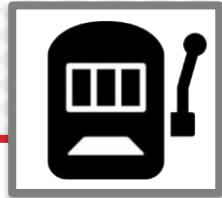
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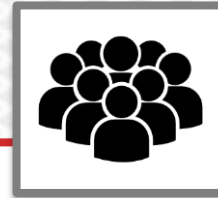
Sara Rayme, senior vice president of public affairs
American Gaming Association



BENEFITS OF CASINO GAMING IS FAR-REACHING



\$240B INDUSTRY



1.7M JOBS



\$38B IN TAXES TO
LOCAL, STATE,
FEDERAL GOV'T



\$73B IN INCOME



GAMING TAXES



GGR tax rates range from 8% to upwards of 70% in the 24 commercial casino states.

(Average is about 36%)



TYPICAL CASINO GAMING TAX ALLOCATION

- I. State general fund
- II. Education
- III. Public safety & infrastructure
- IV. Other social service programs



UNIQUE TAX STRUCTURE FOR CASINOS

- Casinos are required to pay sweeping “gaming tax” on casino revenue before paying all operating costs.
- Includes employees’ salaries/ benefits, maintenance of plant and equipment, licensing fees, utilities, insurance, etc.



SPOTLIGHT ON INTERNET GAMING

- Generally speaking, markets thus far have underperformed expectations.
- Legal and operating in 3 states where tax policy varies in each:

	Effective Rate	2014 Revenue	Taxes
Delaware	34-59%*	\$2.1M	\$2.1M
Nevada	6.75%	\$8.14M (Feb-Nov)	\$1.93M
New Jersey	17.5%	\$122.9M	\$18.4M

** Effective tax rate is 100% until size of market exceeds \$3.75M*



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