

Updated June 12, 2020

*** Please note that this fact sheet reflects the changes made to the gaming language (SB 516) during the May 2020 legislative session ***

ESTIMATED REVENUES & FUNDING SOURCES

Revenues from new taxes and a statewide gambling expansion is expected to generate approximately \$810 million per year for vertical construction projects, as summarized in the table below (Rebuild Illinois Summary, 2019).

Source of New Funding	Estimated Annual Revenues	New Funding Source	State Fund
Casinos / Riverboats	\$350,000,000	Licenses for new casinos*	Rebuild Illinois Projects Fund
		Reconciliation payments*	Rebuild Illinois Projects Fund
		Gaming position fees*	Rebuild Illinois Projects Fund
		Admission taxes	Capital Projects Fund
		Tax revenues**	Capital Projects Fund (from State Gaming Fund after administration costs)
		Licenses, fees*	Rebuild Illinois Projects Fund
Gambling at Racetracks	\$350,000,000	Reconciliation payments*	Rebuild Illinois Projects Fund
		Gaming position fees*	Rebuild Illinois Projects Fund
		Admission taxes	Capital Projects Fund
		Tax revenues**	Capital Projects Fund (from State Gaming Fund after administration costs)
		Licenses, fees	State Gaming Fund
		Tax revenues	Capital Projects Fund
Video Gaming		Licenses, fees, tax revenues	Capital Projects Fund (from Sports Wagering Fund after administration costs)
Sports Wagering			
Parking Excise Tax	\$60,000,000	Tax revenues	Capital Projects Fund
Cigarette Tax	\$160,000,000	Tax revenues	Capital Projects Fund
Trade-In Property Tax Exemption	\$40,000,000	Tax revenues	Existing distribution of Sales Tax to multiple funds
Sales Tax on Out-of-State Retailers	\$200,000,000	Tax revenues	Existing distribution of Sales Tax to multiple funds
TOTAL	\$810,000,000		
* These revenues do not contribute to the annual revenue estimates; initial licenses and fees are shown here to provide a complete picture of new funding sources and where new funding will go.			
** These revenues include a portion that is distributed to local governments, as described in later sections of this document.			
Source: Rebuild Illinois Summary (estimated revenues)			

The most significant is the gambling expansion – encompassing new casinos and riverboats, gambling at racetracks, video gaming, and the newly added sports wagering – which is expected to generate approximately \$350 million per year. It should be noted that any initial license or one-time fees (reconciliation payments and gaming position fees) are not included in this annual revenue estimate.

STATE FUNDS

The majority of these new revenues will support the Capital Projects Fund and Rebuild Illinois Projects Fund, as summarized in the table above. Both of these funds support capital improvement projects throughout the State, as further described below.

Capital Projects Fund: created under the 2009 Capital Plan, this fund is used for capital projects and debt service on bonds issued for capital projects; funding is generated by a variety of sources, including video gaming, a portion of the sales tax, certain vehicle registration fees, and sports wagering.

Rebuild Illinois Projects Fund: newly created fund that will be used for grants that support community development, including capital projects; the majority of funding for this fund is generated by license fees on initial licenses issued for newly licensed gaming facilities and wagering platforms (30 ILCS 105/6z-111).

SPORTS WAGERING

The newly added Sports Wagering Act legalizes sports wagering at select locations and develops guidelines and regulations.

Horseracing Facilities: Horseracing tracks that already have an Organization License may apply for a Master Sports Wagering License. Sports wagering can be conducted at the facility where inter-track wagering is conducted, in addition to three (3) associated off-track betting locations, and online under the same track brand. The initial license fee (lasting four years) is 5% of its handle from the preceding calendar year or the lowest fee for a riverboat, whichever is lower; no fee shall exceed \$10 million. For new horseracing facilities, the initial fee will be \$5 million, however it will be adjusted after 12-months based on 5% of its Adjusted Gross Receipts.

Riverboats/Casinos: Riverboats that already have an Owners License may apply for a Master Sports Wagering License. Sports wagering can be conducted at the gambling facility and online under the same casino brand. The initial license fee (lasting four years) is 5% of its adjusted gross receipts from the preceding calendar year; no fee shall exceed \$10 million. For new riverboats/casinos, the initial fee will be \$5 million, however it will be adjusted after 12-months based on 5% of its Adjusted Gross Receipts.

Sports Facilities: Seven (7) Master Sports Wagering Licenses are available to sporting facilities that hold 17,000 or more people or their designee. The initial license fee (lasting four years) is \$10 million.

Online Licenses: Three (3) Master Sports Wagering Licenses are available to online sports wagering operators. Following an open and competitive process, a provider will be selected and pay an initial fee (lasting four years) of \$20 million.

Other Licenses: Supplier Licenses, Occupational Licenses, Management Services Provider Licenses, and Tier 2 Official League Data Provider Licenses are outlined in the Sports Wagering Act.

Tax: a tax of 15% is imposed on all adjusted gross sports wagering receipts. An additional 2% tax is imposed on receipts from sports wagering in Cook County, which will be paid back to the County for purpose of enhancing county's criminal justice system. All proceeds go to Capital Projects Fund.

Lottery Sports Wagering Pilot Program: Following an open and competitive bidding process, one (1) Central System Provider License will be issued. This license allows the winning bidder to provide sports lottery terminals in retail lottery locations throughout the state, allowing 2,500 in the first year and an additional 2,500 in the second year. The initial fee is \$20 million. All proceeds go to the Capital Projects Fund.

Diversity Goals: The Board must actively seek to achieve racial, ethnic, and geographic diversity when issuing Master Sports Wagering Licenses and encouraging minority-, women-, and veteran-owned businesses to apply for licensure. Additionally, all licensees are required to submit an annual report on all procurement goals and actual spending towards businesses owned by women, minorities, veterans, and persons with disabilities in the previous year. The Board and all licensees are also instructed to hold an annual workshop and job fair open to the public to discuss and improve diversity goals.

GAMING EXPANSION

NEW FACILITIES & OPERATIONS

New Casinos and Riverboats: several licenses are available to new casinos and riverboats. The locations, license fees, and allowed gaming positions are summarized below.

Location	Type	License fee (issuance & renewal)	Gaming Position Fee (per position)*	Maximum # Gaming Positions
Chicago	Casino	\$250,000	\$30,000	4,000
South Suburban Cook County in one of following townships: Bloom, Bremen, Calumet, Rich, Thornton, or Worth	Riverboat	\$250,000	\$30,000	2,000
Danville	Riverboat	\$250,000	\$17,500	2,000
Rockford	Riverboat	\$250,000	\$17,500	2,000
Waukegan	Riverboat	\$250,000	\$17,500	2,000
Williamson County (adjacent Big Muddy River)	Riverboat	\$250,000	\$17,500	1,200

Increased Number of Gaming Positions at Existing Riverboats: the maximum number of gaming positions for existing riverboats increased from 1,200 to 2,000. The fee per position for each new gaming position obtained is \$17,500 for licensees outside of Cook County and \$30,000 for those located within Cook County. All proceeds go to the Rebuild Illinois Projects Fund.

Standardbred Racetrack in Cook County: One license will be issued for a standardbred racing at a racetrack located in one of the following townships in Cook County: Bloom, Bremen, Calumet, Orland, Rich, Thornton, or Worth.

Gaming at Horse Racing Tracks: licenses to permit gaming at racetracks can be available to any person or entity that already has a racetrack license. Slot machines, video gaming, electronic gambling games, and table games are permitted.

- License Fee (initial and renewal): \$250,000.
- Gaming Position Fee: \$17,500 per position outside of Cook County and \$30,000 per position in Cook County, with all proceeds going to the Rebuild Illinois Projects Fund.
- Number of Gaming Positions: up to 900 outside Cook County and 1,200 in Cook County.

Gaming at Airports: a Chicago casino may conduct gaming operations – limited to slot machines – at an airport under the administration of the Chicago Department of Aviation.

OTHER FEES AND TAXES

Reconciliation Payment: All casinos, riverboats, and racetracks taking on gaming are required to pay a reconciliation fee. All proceeds go to the Rebuild Illinois Projects Fund.

- New Casinos: Upfront payment of \$15 million. An additional payment shall be made 3 years after operations begin, equal to 75% of adjusted gross receipts of the most lucrative 12-month period of operations, minus an amount equal to the initial payment per gaming position. This payment can be made in installments over a period of 6 years.
- Existing Casinos: Payment 3 years after additional gaming positions are added, equal to 75% of adjusted gross receipts of the most lucrative 12-month period of operations, minus an amount equal to the initial payment per gaming position. This payment can be made in installments over a period of 6 years.
- Horse Racing Tracks with Gaming: Payment 3 years after gaming operations begin, equal to 75% of difference between its adjusted gross receipts from gaming and amounts paid to its purse accounts for the 12-month period for which such difference was largest, minus an amount equal to the initial payment per gaming position. This payment can be made in installments over a period of 6 years.

Horse Racing Track Admission Increase: Per-person admission fee increasing to \$0.40, from \$0.15 per person. Increase goes into effect once licensee of racetrack begins conducting gaming.

Admission Taxes and Distribution to Local Governments: A per person fee of \$3 is currently charged for every person entering a riverboat, that fee will be extended to include new casinos and racetracks that conduct gaming. As it currently stands, \$1 of each fee is distributed to the municipality or county in which the facility is located. This provision stands, however for the new casinos or riverboats licensed in Chicago, Danville, and Rockford and racetracks in Stickney and Collingsville, legislation lays out a specific distribution formula for \$1 of each fee between nearby municipalities and the county in which it is located. All remaining proceeds go to the State Gaming Fund, which ultimately get distributed to the Capital Projects Fund after administration costs.

Gambling Facility	Local Government	Distribution of \$1 of Each Passenger Fee to Local Governments for Each Facility
Chicago Casino	City of Chicago Village of Maywood Village of Summit	\$0.70 \$0.15 \$0.15
Danville Riverboat	City of Danville Vermillion County	\$0.70 \$0.30
Rockford Riverboat	City of Rockford City of Loves Park Village of Machesney Winnebago County	\$0.70 \$0.05 \$0.05 \$0.20
Stickney Racetrack	Village of Stickney Town of Cicero City of Berwyn Stickney Public Health District City of Bridgeview	\$0.24 \$0.49 \$0.05 \$0.17 \$0.05
Collinsville Racetrack	Village of Alorton Village of Washington Park State Park Place Village of Fairmont City City of Centreville Village of Brooklyn City of Venice City of Madison Village of Caseyville Village of Pontoon Beach	\$0.10 \$0.10 \$0.10 \$0.10 \$0.10 \$0.10 \$0.10 \$0.10 \$0.10 \$0.10

Pari-Mutuel Tax: Once gaming is instituted at a horse racing track, the pari-mutuel tax (tax on daily racing receipts) will be at a graduated scale between 1.5% to 3.5%, as summarized below. This is an increase from the existing flat rate of 1.5%.

Rate	Of the pari-mutuel handle...
1.5%	At or below daily average handle for 2011
2.0%	Above daily average for 2011 up to 125% of average daily handle for 2011
2.5%	Above 125% of daily average for 2011 up to 150% of average daily handle for 2011
3.0%	Above 150% of daily average for 2011 up to 175% of average daily handle for 2011
3.5%	Above 175% of daily average for 2011

Wagering Tax: Wagering taxes at riverboats and casinos remain consistent with existing rates, with the exception of table games. Beginning July 1, 2020, table games take on a new wagering tax structure. Summarized below are the existing wagering tax rates – which also apply to all future gambling operations with the exception of table games – and the new rates for table games.

Wagering Tax Rates (only applies to table games until July 1, 2020)

Adjusted gross receipts	Rate
Up to and including \$25 million	15.0%
\$25 million - \$50 million	22.5%
\$50 million - \$75 million	27.5%
\$75 million - \$100 million	32.5%
\$100 million - \$150 million	37.5%
\$150 million - \$200 million	45.0%
Over \$200 million	50.0%

New Wagering Tax Rates Only for Table Games (beginning July 1, 2020)

Adjusted gross receipts	Rate
Up to and including \$25 million	15.0%
Over \$25 million	20.0%

Chicago Casino Wagering Tax: Beginning the first day a Chicago casino conducts gambling operations, the following taxes will be applied. These rates were changed under SB 516 in May 2020.

Chicago Wagering Tax Rates (all gambling games except table games)

Adjusted gross receipts	State	City of Chicago
Up to and including \$25 million	12.0%	10.5%
\$25 million - \$50 million	16.0%	14.0%
\$50 million - \$75 million	20.1%	17.4%
\$75 million - \$100 million	21.4%	18.6%
\$100 million - \$150 million	22.7%	19.8%
\$150 million - \$225 million	24.1%	20.9%
\$225 million - \$1 billion	26.8%	23.2%
Over \$1 billion	40.0%	34.7%

Chicago Wagering Tax Rates Only for Table Games

Adjusted gross receipts	State	City of Chicago
Up to and including \$25 million	8.1%	6.9%
\$25 million - \$75 million	10.7%	9.3%
\$75 million - \$175 million	11.2%	9.8%
\$175 million - \$225 million	13.5%	11.5%
\$225 million - \$275 million	15.1%	12.9%
\$275 million - \$375 million	16.2%	13.8%
Over \$375 million	18.9%	16.1%

Wagering Tax Distribution to Local Governments: law currently stipulates that 5% of adjusted gross receipts collected by the state from each riverboat is distributed to the local government where it docks. This provision generally extends to new casinos, riverboats, and racetracks that take on gambling.

- **Casinos and Riverboats:** 5% of adjusted gross receipts collected by the state for each facility goes to the local government in which it is located, with the exception of Chicago, Waukegan,

Suburban Cook County, and Rockford. The distribution for these locations are summarized below.

- Chicago Casino: of the portion of the wagering tax going to the City of Chicago (shown in above table), 0.5% will go to Cook County, with the balance going to the City of Chicago.
- Horse Racing Tracks with Gaming: 3% of adjusted gross receipts collected by the state for each facility goes to the local government in which it is located and 2% goes to the county in which it is located. There are two exceptions to this: Stickney and Collinsville, whose distributions are summarized in the table below.

Distribution of 5% of Adjusted Gross Receipts to Local Governments

Gambling Facility	Local Government	Distribution
Waukegan Riverboat	Waukegan Park City North Chicago Lake County	70% 10% 15% 5%
South Suburban Cook County Riverboat/Casino* (One of townships previously identified)	Local government where located Distributed in accordance with a regional capital development plan between several Cook County municipalities	2% 3%
Rockford Riverboat	City of Rockford City of Loves Park Village of Machesney Winnebago County	70% 5% 5% 20%
Stickney Horse Track (3% divided between 3 munis/health district, remaining 2% to county)	Village of Stickney City of Berwyn Town of Cicero Stickney Public Health District Cook County	25% 5% 50% 20% Remainder
Collinsville Horse Track	Village of Alton City of East St. Louis City of Collinsville	30% 30% 40%

* Beginning the first day of operations of this casino and ending July 31, 2042, \$5 million from the tax revenue shall be paid annually to the host municipality of this casino

OTHER GAMING PROVISIONS

Tax Credit for Existing Riverboats: for riverboats that had gambling operations prior to 2011, a dollar-for-dollar tax credit is available for any renovation or construction costs paid, not to exceed \$2 million.

Tax Reductions for Existing Riverboats: as new tax rates take effect, certain reductions are available if total tax obligations result in an operator receiving less after-tax adjusted gross receipts than in 2018.

Calculating Adjusted Gross Receipts: beginning January 1, 2020, the calculation of adjusted gross receipts will not include the dollar amount of non-cashable vouchers, coupons, and electronic promotions redeemed by wagerers at a casino, riverboat, or racetrack with gaming, up to 20%.

Diversity Program: casinos, riverboats, and horse racing tracks with gaming are required to establish and maintain a diversity program. It shall establish goals related to awarding contracts and hiring and

requires the completion of an annual report to develop action plans and outreach for achieving such goals.

VIDEO GAMING

Maximum Wager and Credits: The maximum wager is increased from \$2 to \$4. The maximum cash award on an individual hand was increased to \$1,199 from \$500. Additionally, a \$1 credit is added; previously, only 1, 5, 10, or 25 cent credits were available.

In-Location Bonus Jackpots: these jackpots are now authorized.

Terminal Limit Increase: The number of video gaming terminals in one location was increased from 5 to 6. Additionally, the newly designated licensed large truck stop – defined as those that sell more than 50,000 gallons of diesel or biodiesel fuel per month – may operate up to 10 terminals.

Tax Increase: Existing tax stands at 30% of net terminal income. That rate increases beginning July 1, 2019 and July 1, 2020, as shown below. All proceeds from these increases are deposited into the Capital Projects Fund.

Year	Rate
Previously	30%
Beginning July 1, 2019	33%
Beginning July 1, 2020	34%

OTHER TAXES

PARKING EXCISE TAX

Beginning January 1, 2020, a tax is imposed parking spaces, areas, and garages throughout state. The rate will be 6% for parking space paid on an hourly, daily, or weekly basis and 9% for parking space paid on a monthly or annual basis. All proceeds from the tax will go to the Capital Projects Fund.

CIGARETTE TAX

Beginning July 1, 2019, the tax on cigarettes will increase by \$1, making the tax \$2.98 per pack. All proceeds from the increase will go to the Capital Projects Fund.

TRADE-IN PROPERTY TAX EXEMPTION

Beginning January 1, 2020, vehicles that are being traded-in will be charged sales tax on the value above \$10,000. Previously, a sales tax exemption existed for all vehicle trade-ins.

SALES TAX ON OUT-OF-STATE RETAILERS

Out-of-state retailers were already required to collect the 6.25% state sales tax for purchasers in Illinois, as enacted by a 2018 law. This only applied to “remote retailers,” which is defined as an out-of-state retailer that has cumulative gross receipts from sales in Illinois totaling \$100,000 or more or enters into 200 or more separate transactions in Illinois. Under Rebuild Illinois, this law was expanded to require

remote retailers to charge all state and local retailers occupation taxes, beginning July 1, 2020. This is made possible by the availability of Certified Service Providers.

Certified Service Providers: the State will make Certified Service Providers available to remote retailers at no charge. The providers are agents contracted and certified by the State that will perform the remote retailer's use and occupation tax functions. Certified Service Providers are required to go through a certification process by the Department of Revenue.

OTHER CHANGES & ADDITIONS

DATA CENTER TAX EXEMPTIONS AND CREDITS

Qualifying Data Centers: facility whose primary services are storage, management, and processing of digital data; applies to both existing and new data centers. To be qualified the following requirements must be met:

- Capital Investment: must make at least \$250 million capital investment over 60-month period; existing data centers may have made investment immediately prior to January 1, 2020.
- Job Creation: must result in creation of at least 20 full-time over a 60-month period with compensation equal to or greater than 120% of median wage paid to full-time employees in that county.
- Green Building Standards: building must be carbon neutral or attain green building certification (may include LEED, BREEAM, ENERGY STAR, or other programs).

Sales Tax Exemption: eligible for “qualified tangible personal property” that is used in the construction or operation of a data center following the issuance of a certificate of exemption by the Department of Commerce and Economic Opportunity. Includes items such as electrical systems, hardware, computers, cabinets, cooling systems, and many others.

Income Tax Credit: 20% of wages paid to a full-time or part-time employee of a construction contractor; only offered to new data centers located in specific areas that meet certain poverty, unemployment, or other need-based conditions.

ILLINOIS WORKS JOBS PROGRAM ACT

The Illinois Works Pre-Apprenticeship Program is created to provide grants to aid in the development of a network of community-based organizations to recruit, pre-screen, and provide pre-apprenticeship training for careers in the construction and building trades.

The Illinois Bid Credit Program is also created to provide economic incentives – through bid credits – to encourage contractors and subcontractors to provide employment opportunities to historically underrepresented populations.

REFERENCES

Rebuild Illinois Summary. ([2019](#)).