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House of Representatives
COMMONWEALTH OF PENNSYLVANIA
HARRISBURG


COMMITTEES

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MEMO

DATE: January 12, 2011

TO: To All House Members

FROM: Representative Paul I. Clymer 

SUBJECT: Legislation to end casino promotional play from their gross terminal revenue (allowing for additional property tax relief)

In the near future, I plan on introducing legislation that will amend the Gaming Act to end the practice of casinos deducting promotional play credits and free play from their gross terminal revenue accounts. As you are well aware, gross terminal revenue is what calculates property tax relief for our constituents.

Since the Gaming Act was passed in 2004, our property owners have seen some, but clearly not enough, property tax relief from slot machine revenue. It was brought to my attention that casinos have been able to deduct money spent on providing promotional credits and free play from their gross terminal revenue, thus eliminating a portion of money that would be available for property tax relief.

My legislation would further define "gross terminal revenue" to include that no deduction is made from gross terminal revenue for promotional credits and free play. Based on figures released by the Gaming Control Board, there could be an increase in property tax relief by approximately \$250 million, thus providing additional property tax relief.

Please contact Norma Aviles at 3-3154 or via email at naviles@pahousegop.com if you wish to cosponsor this legislation.

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