Chapter 15 Pari-mutuel Tax

67.16.105(1) - Nonprofit horse races

Description	Nonprofit horse race events lasting no longer than 10 days annually are exempt from the pari-mutuel tax.							
Purpose	To support nonprofit horse race events and help revive the horse racing industry.							
Taxpayer	(\$ in millions):							
savings	(7	FY 2020	FY 2021	FY 2022	FY 2023			
	State Taxes	\$0.008	\$0.008	\$0.008	\$0.008			
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000			
Repeal of exemption	Repealing this exemption would increase revenues.							
Potential	(\$ in millions):							
revenue gains	()	FY 2020	FY 2021	FY 2022	FY 2023			
from full repeal	State Taxes	\$0.000	\$0.007	\$0.008	\$0.008			
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000			
Assumptions	 Pari-mutuel tax rates are: 1.3 percent for gross receipts over \$50 million; and 1.803 percent for gross receipts under \$50 million. The race track that is currently exempt does not have gross receipts over \$50 million, so they would be taxed at the higher rate. No growth since there is currently one exempt taxpayer. 							
Data Sources	Washington Horse Racing Commission http://www.whrc.wa.gov/uploads/1/1/2/0/112048803/annual2018.pdf							
Additional	Additional Inform	ation						
Information	Category:	Governm	nent					
	Year Enacted:	1976	1976					
	Primary Beneficiario	Beneficiaries: Operators of nonprofit horse race events						
	Taxpayer Count: 1							
	Program Inconsistency: None evident							
	JLARC Review: JLARC completed an expedited report in 2011							

67.16.105(2) - Differential parimutuel tax rates

	 The pari-mutuel tax on gross receipts of betting machines at licensed horse races features two tax rates depending on the total wagering receipts at the particular track for the previous year: If receipts were greater than \$50 million, the tax rate is 1.3 percent; 						
	- If receipts were \$50 million or less, the tax rate is 1.803 percent.						
Purpose	The higher 1.803 percent pari-mutuel rate category for smaller race tracks is attributable to a proposed new track in 2002. However, the anticipated revenues at the existing 1.3 percent rate did not generate sufficient funds to cover the state's cost of supervision so the higher tax rate was added to the statute. This track was never constructed and currently the only race track in operation pays the original 1.3 percent rate.						
Taxpayer	(\$ in millions):						
savings	,	FY 2020	FY 2021	FY 2022	FY 2023		
	State Taxes	\$0.371	\$0.371	\$0.371	\$0.371		
	Local Taxes	\$0.000	\$0.000	\$0.000	\$0.000		
Repeal of exemption Potential	Repealing this exemption would increase revenues. (\$ in millions):						
revenue gains		514 2 2 2 2	FY 2021	FY 2022			
-		FY 2020	112021	FIZUZZ	FY 2023		
from full repeal	State Taxes	\$0.000	\$0.340	\$0.371	FY 2023 \$0.371		
-	State Taxes Local Taxes						
-		\$0.000 \$0.000 horse racing is d n found on the N	\$0.340 \$0.000 eclining in Wasł	\$0.371 \$0.000	\$0.371 \$0.000		
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from full repeal	 Local Taxes No growth since I Public informatio used to complete Washington Horse Ra http://www.whrc.wa Additional Information 	\$0.000 \$0.000 horse racing is d n found on the v this estimate. cing Commissio .gov/uploads/1/	\$0.340 \$0.000 eclining in Wasł Washington Hor n	\$0.371 \$0.000 hington. rse Racing Comr	\$0.371 \$0.000		
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from full repeal Assumptions Data Sources Additional	 Local Taxes No growth since H Public informatio used to complete Washington Horse Ra http://www.whrc.wa Additional Informa Category: Year Enacted: Primary Beneficiarie 	\$0.000 \$0.000 horse racing is d n found on the V this estimate. cing Commissio .gov/uploads/1/ ation 0ther 1976 es: Horse-rac 1 None evi	\$0.340 \$0.000 eclining in Wash Washington Hor n 1/2/0/1120488 cing tracks	\$0.371 \$0.000 hington. rse Racing Comr	\$0.371 \$0.000		