

## Pari-mutuel Tax

---

RCW 67.16.105

---

**Tax Base** Licensed conductors of horse racing events pay tax on the gross receipts from pari-mutuel machines.<sup>1</sup> This tax is in addition to the business and occupation tax.

Tax exemptions may reduce these taxes.  
For more information, refer to the [Tax Exemption Study](#).

---

**Tax Rate** Based on a taxpayer's previous year gross receipts the tax rates are:

- 1.803% with gross receipts of less than \$50 million.
- 1.300% with gross receipts of \$50 million or more.

Additionally, the Horse Racing Commission receives:

- 1.1% of daily gross receipts.
  - 1.0% of daily gross receipts from exotic wagers.
- 

**Recent Collections (\$000)**

Fiscal Year	Collections	% Change	% of All State Taxes
2021	\$1,454	35.1%	0.01%
2020	\$1,076	-20.9%	0.00%
2019	\$1,361	-10.4%	0.01%
2018	\$1,519	-7.1%	0.01%
2017	\$1,635	-8.3%	0.01%
2016	\$1,782	2.9%	0.01%
2015	\$1,732	-4.3%	0.01%
2014	\$1,809	-2.7%	0.01%
2013	\$1,860	-8.3%	0.01%
2012	\$2,029	-8.4%	0.01%

Source: Washington State Horse Racing Commission

---

**Distribution of Receipts**

The Horse Racing Commission receives all receipts from this tax. They use the receipts for operating expenses. The state treasurer receives any amount not used by the end of the fiscal biennium and deposits them into the Fair Fund.

The commission distributes the additional amounts received as follows:

- 0.1% of the additional 1.1% funds nonprofit race meets.

---

<sup>1</sup> A "pari-mutuel machine" registers bets, then calculates and posts the changing odds and final payouts.

## Pari-mutuel Tax

---

- The Washington Bred Owners' Bonus Fund and Breeder Awards Account receives:
  - 1% of the additional 1.1%.  
All receipts from the additional 1% on exotic wagers.

---

**Levied by** State

---

**Administration** Horse Racing Commission

Licensed racetrack operators report and pay the tax daily.

---

**History**

2020 Due to the impact of the COVID pandemic, in-state wagering fell below \$50 million, and the tax rate increased to 1.803%.

2017 Designated the collection of the additional 1% retained by the racing association on all exotic wagering for the Washington Bred Bonus Fund. A review determined this addition applied to only live races offered at the racing facility exempting Simulcast wagers.

2009 Granted the Horse Racing Commission the authority to collect and distribute the additional 1% tax on exotic wagers to the Washington bred breeders' awards.

2004 Authorized advance deposit wagering (ADW) and full card simulcasting to satellite locations. ADW is the ability of Washington residents to wager on races, both in and outside the state, via telephone or by using the Internet.

2003 Increased the tax rate for race meets with annual gross in-state pari-mutuel receipts of \$50 million or less from 0.520% of the daily gross receipts to 1.803%.

2001 The temporary pari-mutuel tax rate reductions became permanent.

1998 Reduced the pari-mutuel tax rates temporarily.

1991 Reduced the top pari-mutuel tax rate to 2.5%.

1987 Authorized wagering at satellite locations.

1985 Reduced the pari-mutuel tax rates to a range of 0.5% to 4%.

## Pari-mutuel Tax

---

1982 Revised the pari-mutuel tax rate schedule.

1979 Lowered the pari-mutuel tax rate to 4.5% for smaller meets.

1933 Created the pari-mutuel tax at a rate of 5%.

---