

## BUSINESS TAXES

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### OTHER BUSINESS TAXES - PARIMUTUEL TAX

#### **67.16.105(1) PARIMUTUEL TAX EXEMPTION, NONPROFIT RACES**

Description: Parimutuel tax does not apply to horse race events which are nonprofit in nature and do not last longer than 10 days annually.

Purpose: To support nonprofit horse race events.

Category/Year Enacted: Other business. 1979; rate schedule revised in 1985, 1991 and 1998.

Primary Beneficiaries: Operators of nonprofit horse race events.

Possible Program Inconsistency: None evident.

<u>Taxpayer Savings (\$000)</u>	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
State tax	\$ 13	\$ 13	\$ 14	\$ 14
Local taxes - no local tax levied				

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? Yes.

#### **67.16.105(2) PARIMUTUEL TAX DIFFERENTIAL RATES**

Description: The parimutuel tax on gross receipts of betting machines at licensed horse races features two tax rates depending upon the total 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 less than \$50 million, the tax rate is 0.52 percent.

Purpose: To provide support to the smaller horse racing tracks.

Category/Year Enacted: Other business. 1979; rate schedule revised in 1985, 1991 and 1998.

Primary Beneficiaries: Operators of smaller horse race tracks.

Possible Program Inconsistency: None evident.

Taxpayer Savings (\$000) All race tracks currently in operation gross in excess of \$50 million.

If the exemption were repealed, would the taxpayer savings be realized as increased revenues? No, there are no small tracks currently in operation.