

Casino

Casino: This sheet provides information on the proposal for a Chicago casino.

Background

A Chicago-based casino has been discussed for a number of years, with bills under consideration by the State legislature as early as 2004. These proposals have included state revenue from a license fee, state and/or city revenue from an admissions tax, and state revenue from a progressive tax on adjusted gross receipts (AGR) of the casino, with the percentage increasing as AGR increases. The authority to establish a Chicago-based casino that would generate revenue for Chicago and the State of Illinois and the structure of the taxes and any licensing fees would have to be set by state law.

Revenue/Cost Impact

If a casino were approved today, it likely would not yield significant revenue until 2019. A casino would carry initial expenditures for development and construction. In addition there would be a delay between when the casino legislation is passed and when a potential casino could open.

City and state revenue from a casino in Chicago would depend on the location, size, and license or tax structure under which the casino would operate. For current casinos in Illinois, state taxes are either \$2 or \$3 per patron from the admissions tax depending on the casino and a sliding scale on gross receipts from 15% of AGR for receipts under \$25 million, to 50% for AGR over \$200 million. The local share of state tax revenue for these casinos is \$1 per patron from the admissions tax, and 5% of AGR.

In addition, as a tourist attraction, a casino has the potential to increase sales tax revenue from businesses surrounding the casino. The City would likely benefit from increased sales, lease, hotel, and parking taxes both from the casino and from surrounding businesses.

Legal Authority

The City does not have authority to license a casino. A change in state law authorizing a casino would be required. Likewise, any revenue the City receives and the taxing structure for a casino would be established under State law, with the exception of those revenues that would be subject to the City's existing taxes, such as sales and use taxes, lease tax, hotel tax, and parking tax, as in the case of other businesses operating in Chicago.

Other Cities

Statewide, casinos had \$1.5 billion in adjusted gross receipts in 2014, and paid a total of \$414 million to the State and \$87 million to local municipalities through admissions and wagering taxes. See the table on the following page for receipts and taxes paid in 2014 by casinos.¹

¹ Illinois Gaming Board Monthly Riverboat Casino Report, December 2014.
<https://www.igb.illinois.gov/FilesRiverboatRevenueReports/201412CasinoReport.pdf>

2014 Illinois Casino Revenue and Taxes

Casino	Adjusted Gross Receipts²	State Taxes Paid	Local Share Taxes Paid to Municipalities	Number of Gambling Positions
Argosy (Alton)	\$57M	\$9.6M	\$3.5M	1,103
Par-A-Dice (E. Peoria)	\$94M	\$20M	\$5.7M	1,200
Jumers (Rock Island)	\$77M	\$14M	\$4.9M	1,200
Hollywood (Joliet)	\$123M	\$28.9M	\$7.2M	1,200
Harrah's (Metropolis)	\$82M	\$15.7M	\$4.8M	1,200
Harrah's (Joliet)	199M	\$58.7M	\$11.6M	1,200
Hollywood (Aurora)	\$127M	\$30.3M	\$7.4M	1,200
Casino Queen (E. St. Louis)	\$111M	\$25.6M	\$6.9M	1,200
Grand Victoria (Elgin)	\$172M	\$47.1M	\$10M	1,200
Rivers Casino (Des Plaines)	\$425M	\$164.1M	\$24.8M	1,200
TOTAL	\$1.5B	\$413.8M	\$86.8M	11,903

² Gross receipts from gaming play less winnings paid to bettors.