

LEGISLATIVE BILL 467

Approved by the Governor May 29, 1987

Introduced by V. Johnson, 8

AN ACT relating to horseracing; to amend sections 2-1208.01 and 2-1208.04, Revised Statutes Supplement, 1986; to change the tax on parimutuel wagering as prescribed; to provide a credit for capital improvements and maintenance; to change a provision relating to contributions to the Track Distribution Fund; to repeal the original sections; and to declare an emergency.

Be it enacted by the people of the State of Nebraska,

Section 1. That section 2-1208.01, Revised Statutes Supplement, 1986, be amended to read as follows:

2-1208.01. There is hereby imposed a tax on the gross sum wagered by the parimutuel method at each race meeting as follows:

(1) Commencing on July 1, 1987, and ending on December 31, 1990:

(a) For meets conducted on property owned by the state on which the Nebraska State Fair is also conducted, no tax shall be imposed, but the licensee shall apply two per cent of any amount in excess of ten million dollars for the purpose of maintenance of buildings, streets, utilities, and other existing improvements on the Nebraska State Fairgrounds; and

(b) For all other meets:

(i) The first ten million dollars shall not be taxed, except that for those race meetings that have taken the applicable exemption from parimutuel tax prior to the effective date of this act this subdivision of subdivision (1)(b) shall not be applicable until January 1, 1988;

(ii) Any amount over ten million dollars but less than or equal to one hundred million dollars shall be taxed at the rate of two per cent;

(iii) Any amount in excess of one hundred million dollars shall be taxed at the rate of five per cent; and

(iv) An amount equal to two per cent of the first taxable ninety million dollars at each race meeting shall be retained by the licensee for capital

improvements and for maintenance of the premises within the licensed racetrack enclosure and shall be a credit against the tax levied in subdivisions (b)(ii) and (b)(iii) of this subdivision; and

(2) For meets commencing on or after January 1, 1991, any amount in excess of twenty million dollars shall be taxed at the rate of four per cent.

The net tax due pursuant to subdivisions (1) and (2) of this section shall be paid to the Department of Revenue on the next-to-the-last business day of the month to allow for deposit in the General Fund on the last business day of each month during each race meeting. The first seven million dollars shall not be taxed;

(2) For meets conducted on property owned by the state on which the Nebraska State Fair is also conducted; any amount in excess of seven million dollars shall be taxed at the rate of four per cent; and

(3) For all other meets commencing on or after January 1, 1986, any amount in excess of seven million dollars shall be taxed using the daily average parimutuel handle as reported in the State Racing Commission's annual report for 1985 for each licensed race meet as the standard as follows-

(a) Race meets which have an average daily parimutuel handle for the year which is less than ninety-five per cent of their 1985 average daily parimutuel handle shall be taxed at the rate of four per cent;

(b) Race meets which have an average daily parimutuel handle for the year which is equal to or exceeds ninety-five per cent of their 1985 average daily parimutuel handle but is less than one hundred per cent of such handle shall be taxed at the rate of four and one half per cent; and

(c) Race meets which have an average daily parimutuel handle which equals or exceeds one hundred per cent of their 1985 average daily parimutuel handle shall be taxed at the rate of five per cent.

The tax at the rate of four per cent shall be paid into the state treasury for deposit in the General Fund on the last day of each month during each race meeting. If the tax exceeds the four per cent rate at any race meet, the additional tax, plus a certification of the average daily parimutuel handle upon which such rate is based, shall be paid into the General Fund within ten days after the termination of each race meeting. If no additional tax is due, a certification of the average daily parimutuel handle shall be

submitted to the Department of Revenue upon forms provided by the department.

Sec. 2. That section 2-1208.04, Revised Statutes Supplement, 1986, be amended to read as follows:

2-1208.04. (1) Racetracks shall separately account for their gross exotic daily receipts. Any For all meets commencing after January 1, 1987, any racetrack that had for its previous race meet a total parimutuel handle of less than one hundred twenty fifty million dollars shall withhold an amount equal to one half of one per cent of such receipts, and any racetrack that had for its previous race meet a total parimutuel handle of one hundred twenty fifty million dollars or more shall withhold an amount equal to one per cent of such receipts. Such amount withheld shall be paid to the State Racing Commission on the last day of each month during each race meeting for deposit in the Track Distribution Fund, which fund is hereby created.

(2) The Track Distribution Fund shall be distributed as follows:

(a) Fifteen per cent of the fund shall be distributed monthly to recipient racetracks which conduct wagering by the parimutuel method on quarterhorse racing. Such racetracks shall receive the percentage of the fifteen per cent which the total number of days of horseraces run at such racetrack in the year of distribution bears to the total number of days of horseraces run at all such racetracks in the year of distribution; and

(b) Eighty-five per cent of the fund shall be distributed monthly to recipient racetracks which conduct wagering by the parimutuel method on thoroughbred horseracing. Such racetracks shall receive the percentage of the eighty-five per cent which the total number of days of horseraces run at such racetrack in the year of distribution bears to the total number of days of horseraces run at all such racetracks in the year of distribution.

For purposes of this section, distribution for any recipient racetrack racing fewer than thirty days shall be based on a minimum of thirty days and any racetrack racing more than thirty-five days shall be based on a maximum of thirty-five days of racing. One half of the amount received by a racetrack shall be used to supplement purses at the track.

(3) Any money in the Track Distribution Fund available for investment shall be invested by the state investment officer pursuant to sections 72-1237 to

72-1269.

(4) The assessment required by this section shall be in addition to the assessments, taxes, and fees required by Chapter 2, article 12.

Sec. 3. That original sections 2-1208.01 and 2-1208.04, Revised Statutes Supplement, 1986, are repealed.

Sec. 4. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.