

CHAPTER 450

AN ACT concerning promotional gaming credits for sports wagering and supplementing P.L.2018, c.33 (C.5:12A-10 et seq.).

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.5:12A-16.1 Deduction from gross revenue from non-Internet sports wagering; procedure to ensure against loss to Casino Revenue Fund.

1. a. A casino or racetrack that holds a sports wagering license shall receive an annual deduction from the gross revenue from non-Internet sports wagering taxed pursuant to section 7 of P.L.2018, c.33 (C.5:12A-16) in an amount equal to the promotional gaming credits actually wagered by patrons, that are reported by that licensee in its annual tax return.

b. A casino or racetrack that holds a sports wagering license shall be allowed the deduction, pursuant to subsection a. of this section, from gross revenues from non-Internet sports wagering for a tax year for the total value of promotional gaming credits actually wagered by patrons at all licensed casinos and racetracks for that tax year in excess of \$8,000,000. For the first tax year in which this act takes effect, the division shall reduce the \$8,000,000 deduction threshold for that tax year in proportion to the part of the tax year that has elapsed prior to the effective date of this act.

c. (1) The division shall establish, by regulation, procedures to ensure that the promotional gaming credit deduction established pursuant to this section does not result in a negative fiscal impact to the Casino Revenue Fund, or the General Fund as appropriate under section 7 of P.L.2018, c.33 (C.5:12A-16). If necessary, the division may reduce the value of the available deduction to eliminate any negative fiscal impact to the Casino Revenue Fund, or the General Fund as appropriate, attributable solely to the deduction and not to other economic or other factors that cause a negative fiscal impact to the Casino Revenue Fund, or the General Fund as appropriate.

(2) For the purposes of this subsection, "negative fiscal impact to the Casino Revenue Fund or the General Fund" shall mean that the amount generated from taxation of promotional gaming credits falls below the level generated in calendar year 2017.

d. No deduction shall be allowed pursuant to this section for any promotional gaming credits included in the calculation of any other deduction for promotional gaming credits, including, but not limited to, the deduction allowed pursuant to section 2 of P.L.2008, c.12 (C.5:12-144.2).

e. As used in this section, "promotional gaming credit" means a sports wagering credit or other item approved by the division that is issued by a casino or racetrack that holds a sports wagering license to a patron for the purpose of enabling the placement of a wager in a sports pool in the licensee's casino or racetrack. No such credit shall be reported as a promotional gaming credit unless the licensee can establish that the credit was issued by the licensee and received from a patron as a wager in a sports pool in the licensee's casino or racetrack.

2. This act shall take effect immediately.

Approved January 18, 2022.