

BASIC PROVISIONS AND TAX BASE OF THE NEBRASKA PARIMUTUEL WAGERING TAX LAWS

There is no parimutuel tax imposed for meets conducted on property owned by the state on which the Nebraska State Fair is conducted. The state fairgrounds is required to apply two percent of any amount wagered in excess of ten million dollars toward maintenance of buildings, streets, utilities, and other existing improvements at the Nebraska State Fairgrounds.

For all other meets, the first \$10 million wagered is not taxed. Any amount wagered over ten million dollars, but not more than \$73 million, is taxed at the rate of two and one-half percent. Any amount wagered over \$73 million, will be taxed at the rate of four percent.

An amount equal to two percent of the first taxable \$70 million at each race meeting is retained by the licensee for capital improvements and for maintenance of the premises within the licensed racetrack enclosure, as a credit against the tax levied.

PARIMUTUEL WAGERING TAX

Statutory Reference and Description	Estimated Tax Expenditure Cost NA = Not Available
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EXEMPTION

Section 2-1208.01

The first \$10 million wagered by the parimutuel method at every race meeting, except race meetings conducted on the State Fairgrounds, is not taxed.	\$661,303 or ¹ \$911,303
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PREFERENTIAL TAX RATE

Section 2-1208.01

There is no parimutuel tax imposed on the amount wagered at race meets conducted on the State Fairgrounds.	\$475,882 or ² \$225,882
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CREDITS

Section 2-1208.01

All licensed race meets, except for race meets conducted on the State Fairgrounds, shall retain, as a credit against the tax, an amount equal to two percent of the first taxable \$70 million. The amount retained shall be used for capital improvements and maintenance.	\$1,330,304
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¹ The assumption is a 2.5 percent tax rate. The tax expenditure is \$911,303 if the State Fairgrounds is included.

² The assumption is a 2.5 percent tax rate. The tax expenditure is \$225,882 if the \$10,000,000 exclusion is applied.

PARIMUTUEL WAGERING TAX RECOMMENDATIONS

The Nebraska Department of Revenue has no recommendations.