

SECTION R

Pari-Mutuel Wagering Tax

BASIC PROVISIONS AND TAX BASE

There is no pari-mutuel 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 \$10 million 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. Amounts wagered in excess of \$73 million are 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.

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

Section 2-1208.01

The first \$10 million wagered by the pari-mutuel method at every race meeting, except race meetings conducted on the State Fairgrounds, is not taxed. \$780,326 or ¹
\$1,280,326

PREFERENTIAL TAX RATES

Section 2-1208.01

There is no pari-mutuel tax imposed on the amount wagered at race meets conducted on the State Fairgrounds. \$524,995 or ²
\$274,995

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. \$1,115,043

¹ The assumption is a 2.5 percent tax rate. The tax expenditure is \$1,280,326 if the State Fairgrounds is included.

² The assumption is a 2.5 percent tax rate. The tax expenditure is \$274,995 if the \$10,000,000 exclusion is applied.

RECOMMENDATIONS

The Nebraska Department of Revenue has no recommendations.