



Romney Building, 10th Floor
Lansing, Michigan 48909
Phone: 517/373-6466

HORSE RACING TAXES

House Bill 5400

Sponsor: Rep. Michael J. Griffin

Committee: Tax Policy

Complete to 6-22-98

A SUMMARY OF HOUSE BILL 5400 AS INTRODUCED 12-3-97

The Horse Racing Law of 1995 eliminated the wagering tax on live races and established a wagering tax on interstate and intertrack simulcast races. (The act also eased restrictions on simulcasting.) For calendar year 1996 each holder of a race meeting license was required to pay 2.5 percent of all money wagered on interstate and intertrack simulcast races conducted at the holder's licensed race meetings. For 1997 and thereafter, the tax rate increases to 3.5 percent. House Bill 5400 would amend the act to set the tax at 2.5 percent of "all money wagered beyond and excluding the first \$50,000 of daily wagers on intertrack simulcast races conducted at the holder's licensed race meetings."

Simulcasting is the live transmission of video and audio signals conveying a horse race held either inside or outside the state to a licensed race meeting in the state. The act defines an "intertrack simulcast" as a simulcast from one racetrack to another within the state. An "interstate simulcast" is a simulcast from a racetrack outside the state to one inside the state.

The bill would also eliminate language that requires the racing commissioner to report, not later than four years after the act's effective date, to the chairs of the Senate and House committees responsible for horse racing legislation "as to the effect on the horse racing industry of the reduction in the tax." The bill took effect on January 9, 1996.

MCL 431.322

Analyst: C. Couch

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.