

CHAPTER 12

AN ACT concerning promotional gaming credits issued by casinos and supplementing P.L.1977, c. 110 (C.5:12-1 et seq.).

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

C.5:12-38a “Promotional gaming credit.”

1. “Promotional gaming credit” – A slot machine credit or other item approved by the commission that is issued by a licensee to a patron for the purpose of enabling the placement of a wager at a slot machine in the licensee’s casino. No such credit shall be reported as a promotional gaming credit unless the casino licensee can establish that the credit was issued by the casino licensee and received from a patron as a wager at a slot machine in the licensee’s casino.

C.5:12-144.2 Annual deduction from gross revenue relative to promotional gaming credits.

2. a. A casino licensee shall receive an annual deduction from the gross revenue taxed pursuant to subsection a. of section 144 of P.L.1977, c.110 (C.5:12-144) in an amount equal to either (1) the promotional gaming credits reported by that licensee in its annual tax return or (2) such other portion of the promotional gaming credits reported by all casino licensees as the commission may allocate to a particular licensee to reflect that licensee’s pro rata share of the costs of the 2008 agreement executed between the New Jersey Sports and Exposition Authority and the Casino Association of New Jersey for the benefit of the horse racing industry.

b. Casino licensees shall be allowed a deduction from gross revenues for a tax year pursuant to subsection a. of this section for the total value of promotional gaming credits redeemed by patrons at all licensed casinos for that tax year in excess of \$90,000,000. For the first tax year in which this act becomes operative pursuant to section 3 of this act, P.L.2008, c.12, the commission shall reduce the \$90,000,000 deduction threshold for that tax year in proportion to the part of the tax year that has elapsed prior to that operative date.

c. The commission shall establish, by regulation, procedures and standards for allocating the deduction established pursuant to this section to reflect each licensee’s pro rata share of the costs of the 2008 agreement executed between the New Jersey Sports and Exposition Authority and the Casino Association of New Jersey for the benefit of the horse racing industry and procedures and standards for each licensee to take the deduction established pursuant to this section to reflect those deductions that exceed the costs of the 2008 agreement. Such regulations shall include standards for the allocation of the \$90,000,000 deduction threshold established in subsection b. of this section, the timing of the application of deductions, and all other matters related to the provisions of this section.

d. (1) The commission 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. If necessary, the commission may reduce the value of the available deduction to eliminate any negative fiscal impact to the Casino Revenue Fund attributable solely to the deduction and not to other economic or other factors that cause a negative fiscal impact to the Casino Revenue Fund.

(2) For the purposes of this subsection, “negative fiscal impact to the Casino Revenue Fund” shall mean that the amount generated from taxation of promotional gaming credits falls below the level generated in calendar year 2007.

3. This act, P.L.2008, c.12, shall become operative upon the certification by the chair of the Casino Control Commission to the State Treasurer that an agreement has been executed between the New Jersey Sports and Exposition Authority and the Casino Association of New Jersey for the benefit of the horse racing industry, for \$30,000,000 annually for a three-year period.

4. This act shall take effect immediately.

Approved April 11, 2008.