

By: Representative Lamar

To: Ways and Means

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1881

1 AN ACT TO CREATE THE INTEGRITY IN GAMING IN SUPPORT OF HONEST
2 TAXPAYERS ACT; TO AMEND SECTION 75-76-177, TO IMPOSE AN ADDITIONAL
3 TAX ON THE GROSS REVENUE OF GAMING LICENSEES; TO PROVIDE THAT THE
4 PROVISION OF LAW IMPOSING THE ADDITIONAL TAX SHALL STAND REPEALED
5 FROM AND AFTER THE DATE THAT MOBILE SPORTS BETTING BECOMES LEGAL
6 IN MISSISSIPPI; TO BRING FORWARD SECTIONS 75-76-129, 75-76-179 AND
7 75-76-185, MISSISSIPPI CODE OF 1972, WHICH ARE SECTIONS OF THE
8 MISSISSIPPI GAMING CONTROL ACT, FOR THE PURPOSES OF POSSIBLE
9 AMENDMENT; AND FOR RELATED PURPOSES.

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

11 **SECTION 1.** (1) This act shall be known and may be cited as
12 the "Integrity in Gaming in Support of Honest Taxpayers Act".

13 (2) The Legislature finds that the State of Mississippi is
14 losing approximately Fifty Million Dollars (\$50,000,000.00) a year
15 due to illegal sports betting. The purpose of this act is to
16 generate revenue that will be used to replace the revenue that the
17 State of Mississippi is losing as a result of this illegal sports
18 betting.

19 **SECTION 2.** Section 75-76-177, Mississippi Code of 1972, is
20 amended as follows:



75-76-177. (1) From and after August 1, 1990, there is hereby imposed and levied on each gaming licensee a license fee based upon all the gross revenue of the licensee as follows:

(a) Four percent (4%) of all the gross revenue of the licensee which does not exceed Fifty Thousand Dollars (\$50,000.00) per calendar month;

(b) Six percent (6%) of all the gross revenue of the licensee which exceeds Fifty Thousand Dollars (\$50,000.00) per calendar month and does not exceed One Hundred Thirty-four Thousand Dollars (\$134,000.00) per calendar month; and

(c) Eight percent (8%) of all the gross revenue of the licensee which exceeds One Hundred Thirty-four Thousand Dollars (\$134,000.00) per calendar month.

(2) In addition to any fees and taxes provided for in this chapter, there is imposed and levied on each gaming licensee a tax in the amount of four percent (4%) upon all the gross revenue of the licensee. This subsection (2) shall stand repealed from and after the date that mobile sports betting becomes legal in Mississippi.

(* * *3) All revenue received from any game or gaming device which is leased for operation on the premises of the licensee-owner to a person other than the owner thereof or which is located in an area or space on such premises which is leased by the licensee-owner to any such person, must be attributed to the owner for the purposes of this section and be counted as part of



the gross revenue of the owner. The lessee is liable to the owner for his proportionate share of such license fees and taxes.

(* * *4) If the amount of license fees and taxes required to be reported and paid pursuant to this section is later determined to be greater or less than the amount actually reported and paid by the licensee, the * * * Commissioner of Revenue shall:

(a) Assess and collect the additional license fees and/or taxes determined to be due, with interest thereon until paid; or

(b) Refund any overpayment, with interest thereon, to the licensee.

Interest must be computed, until paid, at the rate of one percent (1%) per month from the first day of the first month following either the due date of the additional license fees and/or taxes or the date of overpayment.

(* * *5) Failure to pay the fees provided for in this section when they are due for continuation of a license shall be deemed a surrender of the license.

SECTION 3. Section 75-76-129, Mississippi Code of 1972, is brought forward as follows:

[Through June 30, 2028, this section shall read as follows:]

75-76-129. (1) On or before the last day of each month all taxes, fees, interest, penalties, damages, fines or other monies collected by the Department of Revenue during that month under the provisions of this chapter, with the exception of (a) the local



government fees imposed under Section 75-76-195, and (b) an amount equal to Three Million Dollars (\$3,000,000.00) of the revenue collected pursuant to the fee imposed under Section 75-76-177(1)(c), and (c) the revenue collected pursuant to the fee imposed under Section 75-76-177(1)(c) as a result of wagers on sporting events shall be paid by the Department of Revenue to the State Treasurer to be deposited in the State General Fund. The local government fees shall be distributed by the Department of Revenue pursuant to Section 75-76-197.

(2) An amount equal to Three Million Dollars (\$3,000,000.00) of the revenue collected during that month pursuant to the fee imposed under Section 75-76-177(1)(c) shall be deposited by the Department of Revenue into the bond sinking fund created in Section 1(3) of Chapter 479, Laws of 2015.

(3) Revenue collected pursuant to the fee imposed under Section 75-76-177(1)(c) as a result of wagers on sporting events shall be deposited into the State Highway Fund to be used solely for the repair and maintenance of highways and bridges of the State of Mississippi. This revenue shall be used first for matching funds made available to the state for such purposes pursuant to any federal highway infrastructure program implemented after September 1, 2018.

[From and after July 1, 2028, this section shall read as follows:]



75-76-129. On or before the last day of each month all taxes, fees, interest, penalties, damages, fines or other monies collected by the Department of Revenue during that month under the provisions of this chapter, with the exception of (a) the local government fees imposed under Section 75-76-195, and (b) an amount equal to Three Million Dollars (\$3,000,000.00) of the revenue collected pursuant to the fee imposed under Section 75-76-177(1)(c) shall be paid by the Department of Revenue to the State Treasurer to be deposited in the State General Fund. The local government fees shall be distributed by the Department of Revenue pursuant to Section 75-76-197. An amount equal to Three Million Dollars (\$3,000,000.00) of the revenue collected during that month pursuant to the fee imposed under Section 75-76-177(1)(c) shall be deposited by the Department of Revenue into the bond sinking fund created in Section 1(3) of Chapter 479, Laws of 2015.

SECTION 4. Section 75-76-179, Mississippi Code of 1972, is brought forward as follows:

75-76-179. License fees paid under Section 75-76-177 in any taxable year shall be allowed as credit against the income tax liability of the licensee for that taxable year.

SECTION 5. Section 75-76-185, Mississippi Code of 1972, is brought forward as follows:

75-76-185. (1) Except as otherwise provided in Section 75-76-187, there is hereby imposed and levied on each licensee who



conducts a gaming operation a fee based on the value of any collectible credit instrument received as a result of that gaming operation which is held by the licensee or any affiliate of the licensee and remains unpaid on the last tax day.

(2) The fee must be:

(a) Calculated by using the rates and monetary limits set forth in Section 75-76-177; and

(b) Collected by the State Tax Commission and refunded pursuant to the regulations adopted by the State Tax Commission.

SECTION 6. This act shall take effect and be in force from and after July 1, 2025.

