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***Casino Gaming Association presents "A Better Deal for Illinois"
before Senate Appropriations Committee***

SB 1515 would help Illinois regain lost market share, boost tax revenue and economic activity

SPRINGFIELD, IL—Tom Swoik, Executive Director of the Illinois Casino Gaming Association (ICGA), and Todd Maisch, Vice President of Governmental Affairs for the Illinois Chamber, testified today in front of the Senate Appropriations Committee about legislation introduced last week (SB 1515, HB 2314) that would generate more tax revenue and economic activity for Illinois in the face of growing competition from casinos in neighboring states. Sen. Patrick Welch (D-Grundy) chairs the Senate Appropriations Committee.

The legislation, also known as *A Better Deal for Illinois*, would remove the two major competitive disadvantages that have hurt the state's ability to maximize its tax revenues and economic impact from existing casinos. The legislation would lift the current limit on gaming positions—slot machines and table games—and roll back the current high gaming taxes for the existing 10 Illinois casino licenses.

The tax rollback would occur once the 10th license becomes operational, while the restrictions on the number of positions would be lifted immediately to free up capital for the needed investment.

"I appreciate the opportunity to talk with the Senate Appropriations Committee," said Swoik. "It is important that we address the fact that Illinois is losing valuable tax dollars and business to bordering states."

In the St. Louis area, the two riverboats in Illinois have a combined 2,400 positions, while the three riverboats in Missouri, which do not have limits on positions, have a combined 10,000 gaming positions. The same is true in the Chicagoland region. The four riverboats in Illinois have a combined 4,800 gaming positions, while the five riverboats in Indiana have 10,000 positions.

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A Better Deal for Illinois would roll back gaming taxes to the 2001 rate of 35 percent, which was already the highest in the country. Indiana's new top tax rate is 35 percent, which comes into effect at a higher revenue level than under the proposed Illinois tax structure. Missouri's and Iowa's top rates are both 20 percent.

In the four months following the imposition of the 50 percent top tax rate on Illinois casinos, Illinois lost 4.5 percent in market share to Indiana. Similar trends are occurring in the St. Louis and Quad Cities markets as well.

"This proposal shows that the economic benefits derived from the industry extend well beyond the casinos themselves to every corner of our state and every sector of our economy," said Maisch. "The proposed amendments to the Illinois Riverboat Gambling Act make good business sense and good public policy."

A recent University of Illinois economic study commissioned by the Illinois Chamber and ICGA showed the merits of the provisions in these amendments. The study found that *A Better Deal for Illinois* would create an additional \$2.2 billion in new annual economic activity, \$365 million in new tax revenues, and 26,000 permanent jobs statewide. That is in addition to \$4.9 billion in current economic impact and 66,000 current permanent jobs sustained by casinos, 55,000 of which are outside the industry itself.

"The high tax rates imposed on casinos in the previous legislative session and the arbitrary limit on positions have proven counter-productive," said Sen. Dennis Jacobs (D-Rock Island). "This isn't about helping a particular industry, it is about helping Illinois adopt smart fiscal policies."

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