



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #680

Lottery and Gaming Credit (Shared Revenue and Tax Relief -- Property Tax Credits)

[LFB 2005-07 Budget Summary: Page 450, #2]

CURRENT LAW

The net proceeds from the state lottery, pari-mutuel, on-track betting, bingo, raffles, and crane games must be used to provide property tax relief for state residents. Part of this tax relief is provided through the farmland tax relief credit, which has base level funding of \$15,000,000 SEG. Any remaining amounts are distributed through the lottery and gaming tax credit, which equals the school taxes on the first increment of value of each primary residence in the state (this increment, known as the value base, is set each year at a level to distribute the available proceeds). The base funding level for the lottery and gaming credit is \$101,309,800 SEG.

GOVERNOR

Increase funding by \$15,832,700 SEG in 2005-06 and \$18,599,600 SEG in 2006-07 for the lottery and gaming credit sum sufficient appropriation to estimate total tax credit distributions at \$117,142,500 SEG in 2005-06 and \$119,909,400 SEG in 2006-07.

MODIFICATION

Decrease funding by \$1,548,900 SEG in 2005-06 and provide an additional funding increase of \$3,924,200 SEG in 2006-07 for the lottery and gaming credit sum sufficient appropriation to estimate total tax credit distributions at \$115,593,600 SEG in 2005-06 and \$123,833,600 SEG in 2006-07.

Explanation: Funding for the lottery and gaming credit is a residual amount, calculated by deducting administrative expenses and other tax relief appropriations from

available proceeds. The reestimated amounts reflect actions taken by the Committee at its April 20 executive session that affected net lottery and gaming proceeds and an adjustment to the appropriation to expend all remaining net proceeds.

<u>Modification</u>	<u>SEG</u>
2005-07 FUNDING (Change to Bill)	\$2,375,300

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