



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #709

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

[LFB 2009-11 Budget Summary: Page 579, #9]

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#### **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 \$130,346,900 SEG.

#### **GOVERNOR**

Decrease funding by \$10,898,500 SEG in 2009-10 and \$12,618,100 SEG in 2010-11 for the sum sufficient appropriation to reflect lower estimates of net lottery and gaming proceeds available for distribution. With these adjustments, estimated total funding would decrease to \$119,448,400 SEG in 2009-10 and \$117,728,800 SEG in 2010-11.

#### **MODIFICATION**

Decrease funding by an additional \$36,600 SEG in 2009-10 and \$31,400 SEG in 2010-11 for the lottery and gaming credit sum sufficient appropriation to estimate total tax credit distributions at \$119,411,800 SEG in 2009-10 and \$117,697,400 SEG in 2010-11.

**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 16, 2009, executive session that affected net lottery and gaming proceeds. The modification would make an adjustment to the appropriation to expend all remaining net proceeds.

<b>Change to Bill</b>	
Funding	
SEG	- \$68,000

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