

# SENATE BILL NO. 1194

December 05, 2024, Introduced by Senators MOSS and SINGH and referred to the Committee on Government Operations.

A bill to amend 2019 PA 152, entitled  
"Lawful internet gaming act,"  
by amending sections 14 and 15 (MCL 432.314 and 432.315).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 14. (1) Except for an internet gaming operator that is an  
2 Indian tribe, an internet gaming operator is subject to a graduated  
3 tax on the adjusted gross receipts received each calendar year by  
4 the internet gaming operator from all internet gaming it conducts  
5 under this act as set forth below:

6           (a) For adjusted gross receipts less than \$4,000,000.00, a tax  
7 of ~~20%~~**21%**.

1 (b) For adjusted gross receipts of \$4,000,000.00 or more but  
2 less than \$8,000,000.00, a tax of ~~22%~~**23%**.

3 (c) For adjusted gross receipts of \$8,000,000.00 or more but  
4 less than \$10,000,000.00, a tax of ~~24%~~**25%**.

5 (d) For adjusted gross receipts of \$10,000,000.00 or more but  
6 less than \$12,000,000.00, a tax of ~~26%~~**27%**.

7 (e) For adjusted gross receipts of \$12,000,000.00 or more,  
8 ~~28%~~**29%**.

9 (2) An internet gaming operator that is an Indian tribe is  
10 subject to the payment requirements under section 7(1)(f).

11 (3) An internet gaming operator shall pay the tax or payment,  
12 as applicable, under subsection (1) or (2) on a monthly basis. The  
13 payment for each monthly accounting period is due on the tenth day  
14 of the following month.

15 (4) Except as provided in this act and section 12(17) of the  
16 Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212, an  
17 internet gaming operator is not subject to any excise tax, license  
18 tax, privilege tax, occupation tax, or other tax, payment, or fee  
19 imposed exclusively on an internet gaming operator or internet  
20 gaming operators by this state or any political subdivision of this  
21 state, except as provided in this act. This subsection does not  
22 impair the contractual rights under an existing development  
23 agreement between a city and an internet gaming operator that holds  
24 a casino license under the Michigan Gaming Control and Revenue Act,  
25 1996 IL 1, MCL 432.201 to 432.226.

26 (5) In addition to payment of the tax and other fees as  
27 provided in this act, and to any payment required pursuant to an  
28 existing development agreement described in subsection (4), if a  
29 city has imposed a municipal services fee equal to 1.25% on a

1 casino licensee, the city shall charge a 1.25% fee on the adjusted  
 2 gross receipts of an internet gaming operator that holds a casino  
 3 license under the Michigan Gaming Control and Revenue Act, 1996 IL  
 4 1, MCL 432.201 to 432.226, whose casino is in that city.

5 Sec. 15. (1) The tax imposed under section 14 must be  
 6 allocated as follows:

7 (a) Thirty percent to the city in which the internet gaming  
 8 operator licensee's casino is located, for use in connection with  
 9 the following:

10 (i) The hiring, training, and deployment of street patrol  
 11 officers in that city.

12 (ii) Neighborhood development programs designed to create jobs  
 13 in that city with a focus on blighted neighborhoods.

14 (iii) Public safety programs such as emergency medical services,  
 15 fire department programs, and street lighting in that city.

16 (iv) Anti-gang and youth development programs in that city.

17 (v) Other programs that are designed to contribute to the  
 18 improvement of the quality of life in that city.

19 (vi) Relief to the taxpayers of the city from 1 or more taxes  
 20 or fees imposed by the city.

21 (vii) The costs of capital improvements in that city.

22 (viii) Road repairs and improvements in that city.

23 (b) ~~Sixty-five~~ **Sixty-four point five** percent to this state to  
 24 be deposited in the fund.

25 (c) Five **point five** percent to the Michigan agriculture equine  
 26 industry development fund created under section 20 of the horse  
 27 racing law of 1995, 1995 PA 279, MCL 431.320. However, if the 5%  
 28 **5.5%** allocated under this subdivision to the Michigan agriculture  
 29 equine industry development fund created under section 20 of the

1 horse racing law of 1995, 1995 PA 279, MCL 431.320, exceeds  
2 \$3,000,000.00 in a fiscal year, the amount in excess of  
3 \$3,000,000.00 must be allocated and deposited in the fund created  
4 under section 16.

5 (2) By September 30, 2020 and each September 30 after that  
6 date, if the combined amount of money received in the preceding  
7 city fiscal year by the city in which the internet gaming  
8 operator's casino is located from money allocated under subsection  
9 (1)(a), from the wagering tax allocated under section 12 of the  
10 Michigan Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212,  
11 from the wagering tax allocated under section 15 of the lawful  
12 sports betting act, **2019 PA 149, MCL 432.415**, and all payments  
13 received under existing development agreements with internet gaming  
14 operators, is less than \$183,000,000.00, the board shall distribute  
15 from the fund to the city in which the internet gaming operator's  
16 casino is located an amount equal to the difference between  
17 \$183,000,000.00 and the combined amount of money the city in which  
18 the internet gaming operator's casino is located received in the  
19 preceding fiscal year from money allocated under subsection (1)(a),  
20 from the wagering tax allocated under section 12 of the Michigan  
21 Gaming Control and Revenue Act, 1996 IL 1, MCL 432.212, from the  
22 wagering tax allocated under section 15 of the lawful sports  
23 betting act, **2019 PA 149, MCL 432.415**, and all payments received by  
24 the city under existing development agreements with internet gaming  
25 operators. The calculations set forth in this subsection must not  
26 include any payments made under section 14(5) or any payments made  
27 under section 13(1) of the Michigan Gaming Control and Revenue Act,  
28 1996 IL 1, MCL 432.213, or any payments made under section 14(5) of  
29 the lawful sports betting act, **2019 PA 149, MCL 432.414**. However,

1 the total amount the city in which the internet gaming operator's  
2 casino is located receives for the preceding fiscal year under  
3 subsection (1) (a) and this subsection must not be more than 55% of  
4 the total received from the tax imposed under section 14 in the  
5 state fiscal year.