## SENATE MEMORIAL 52

# 50TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2012

## INTRODUCED BY

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### A MEMORIAL

REQUESTING THE GAMING CONTROL BOARD TO STUDY THE FEASIBILITY OF IMPLEMENTING A PROGRESSIVE TAX BRACKET FOR RACETRACK CASINOS BASED ON GAMING REVENUE.

WHEREAS, the state has an interest in promoting a climate of economic prosperity for horsemen, horse owners and racetrack management; and

WHEREAS, the impact to the economy of New Mexico of the breeding and racing industry is over four hundred million dollars (\$400,000,000); and

WHEREAS, the racetrack casinos generate over sixty-three million dollars (\$63,000,000) in gaming taxes for New Mexico; and

WHEREAS, the breeding and racing industry in New Mexico affects ten thousand jobs; and

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WHEREAS, horse breeding is an agricultural industry with a long-standing tradition in New Mexico; and

WHEREAS, horses bred in New Mexico are competitive on a national level and are internationally recognized for their accomplishments; and

WHEREAS, New Mexico is ranked fourth in the breeding of
American quarter horse race starters and New Mexico is ranked
seventh in the number of breedings of thoroughbred race horses;
and

WHEREAS, there are twelve thousand horses associated with the breeding and racing industry in New Mexico; and

WHEREAS, racetrack casinos have enabled horsemen and horse owners to keep the long-standing tradition alive in New Mexico; and

WHEREAS, in recent years, the changing economic climate and various other circumstances have made it increasingly difficult for small and rural racetrack casinos to remain profitable; and

WHEREAS, racetracks were allowed to establish casinos so that gaming revenue could keep horse racing alive in New Mexico; and

WHEREAS, there is a large disparity of purse money available at tracks across New Mexico resulting in fewer horses to fill a race card at some tracks and an overflow of horses at other tracks; and

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WHEREAS, a graduated tax on gaming revenues will allow more equity in purse money available across New Mexico tracks; and

WHEREAS, gaming revenues are considerably lower at certain racetracks and are only projected to decrease further in future years; and

WHEREAS, a system of progressive tax brackets can reduce the tax incidence of racetracks with a lower ability to pay taxes and remain profitable; and

WHEREAS, various other states, such as Nevada, Colorado, Illinois, Indiana, Iowa and Mississippi, have enacted a graduated tax on gaming revenue;

NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE STATE OF NEW MEXICO that the gaming control board be requested to study the feasibility of implementing a progressive tax bracket for racetrack casinos based on gaming revenue and report the results of the study to the revenue stabilization and tax policy committee by November 2012; and

BE IT FURTHER RESOLVED that a copy of this memorial be transmitted to the executive director of the gaming control board.