

1 A MEMORIAL

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

5
6 WHEREAS, the state has an interest in promoting a
7 climate of economic prosperity for horsemen, horse owners and
8 racetrack management; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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