

Winter Issue
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Illinois Insights

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SPORTS BETTING COULD GENERATE \$100 MILLION IN TAX REVENUE

A new report by the Illinois Economic Policy Institute and the University of Illinois at Urbana-Champaign, *Legalizing Sports Betting in Illinois: Evaluating Policy Options and Fiscal Impacts*, evaluates several proposals to legalize, regulate, and tax sports betting.

Two bills, both called the Sports Wagering Act, were filed in the Illinois General Assembly in 2018. However, due to relatively high tax rates, the proposals in the Illinois General Assembly would result in nearly half of all sports betting activity remaining in the black market.

The General Assembly could choose a more balanced framework that combines the United Kingdom's 15 percent tax on gross gambling revenues with a \$100,000 annual license fee for sportsbooks and related establishments as a better way forward.

A balanced sports betting legalization framework would have positive effects on the Illinois economy. It would increase gaming industry revenues by more than \$500 million annually, create over 2,500 new jobs at nearly 90 licensed locations in Illinois, shrink the illegal black market for sports betting, enhance state tax revenues by up to \$100 million annually, and fund programs that treat compulsive gambling and addiction as well as provide revenue for public investments in education and infrastructure.

Allowing Illinois residents and visitors to gamble on sports would spur economic activity, shrink the black market, and generate new state tax revenues. However, the tax revenues from sports betting would not be a panacea solving Illinois' fiscal issues, and should be weighed against the potential costs of gambling addiction.

The report was cited in *NPR Illinois* and *The Southern Illinoisan*.

ILLINOIS ECONOMIC INDICATORS

Jobs added (rank), Dec-17 to Dec-18 = **+70,000 jobs (13)**

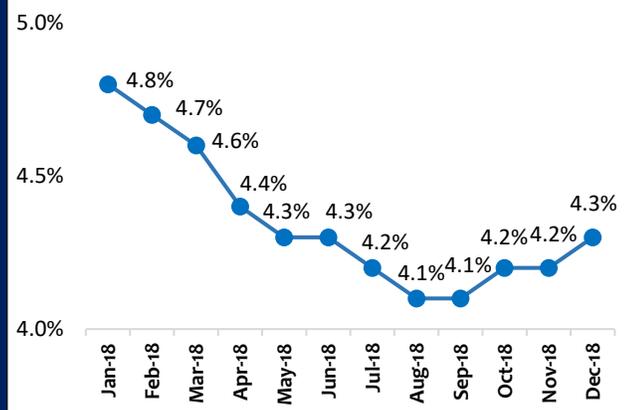
State unemployment rate (rank), Dec-18 = **4.3% (40)**

Average private sector wage from Dec-17 to Dec-18 (rank) = **\$28.62 (13)**

Private sector wage growth from Dec-17 to Dec-18 (rank) = **+5.6% (7)**

Philadelphia Federal Reserve "state coincident index" rank (as of Dec-18) = **35**

Illinois Unemployment Rate, Past 12 Months



ILEPI'S SECOND ANNUAL FUNDRAISER

A big thank you to all our sponsors and everyone who attended ILEPI's Second Annual Fundraiser on Monday, February 11th! We are so grateful to our supporters who make our work possible! Our timely and dynamic analyses are more important to the policy debate in 2019 than ever before.



INSIGHTS FROM ILEPI REPORTS

- While a statewide \$15 minimum wage would increase the annual incomes of directly-affected workers by about \$5,000 in Chicago, it would increase earnings for low-income workers by more than \$8,000 in Springfield, more than \$7,000 in Rockford, and more than \$6,000 in the St. Louis area. These higher incomes would boost consumer spending at local retail stores, restaurants, and small businesses— offsetting any initial drops in employment or hours. [\[Read More\]](#)
- Local metro planning organizations in Iowa should opt-out of participating in the “Federal-Aid SWAP” program, which eliminates federal requirements on public infrastructure projects, including “Buy America” provisions. Without the Davis-Bacon Act, nonlocal contractors with less-trained workers come in, undermine the local market rate, and take taxpayer dollars back with them to their home states or areas upon project completion. [\[Read More\]](#)



ILEPI's Staff:
Jill Manzo,
Mary Craighead,
Frank Manzo IV,
and Allison Taylor



Event Speakers: Marc Poulos, Tom Kriger, Frank Manzo IV, and Alice Johnson



ILEPI's Board of Directors: James Sweeney, Bob Molaro, Joe Benson, Alice Johnson, Dave Sullivan, Bob Bruno, and Marc Poulos; Not Pictured: Mike Mullen and John Kleczynski

A video showcasing ILEPI's news highlights was shown.

