



## CASINO PAYMENT AMOUNTS IN MASSACHUSETTS AND NEW YORK

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### ISSUE

What percentage of casino or slot machine revenue does Massachusetts and New York receive from casinos and slot machine facilities located within the state?

### SUMMARY

Massachusetts has authorized up to three commercial casinos and one slot machine facility. The casinos must pay the state 25% of their gross gambling revenue. In addition to these casinos, Massachusetts has entered into a tribal compact with the Mashpee Wampanoag Tribe to open a tribal casino. Under the compact, the tribe agrees to pay the state 17% of its gaming revenue.

Massachusetts opened its slot machine facility in 2015. The facility must provide the state with 40% of its gross gaming revenue.

New York's five Indian casinos currently have federally approved compacts that govern revenue sharing. Depending on the agreement, the tribe must share 25% of either their slot or gross gambling revenue. In addition to the Indian casinos, New York has authorized up to seven commercial casinos to be built. These casinos will be taxed 10% for table games and between 37% and 45% for slots, depending on where they are located.

### MASSACHUSETTS

#### *Casinos*

In 2011, Massachusetts authorized the construction of three commercial casinos. Currently two of the three casino licenses have been issued (MGM Springfield for the western region and Wynn Resort for the central region). Under the law, the casinos must pay 25% of their gross gaming revenue to Massachusetts ([Mass. Gen. Laws Ann. ch. 23K, § 55](#)).



The Massachusetts Gaming Commission is currently reviewing applications for an eastern region casino license but may not issue one because the Mashpee Wampanoag Tribe has negotiated a [compact agreement](#) with the state to open a casino in that region. The compact provides that the tribe will provide 17% of its gaming revenue to the state, provided the state does not license a competing casino in the eastern region. If the state licenses casino gaming in the region, the compact provides that the tribe would not have to pay the state any revenue.

### ***Slot Machine Facility***

In 2011, Massachusetts authorized the construction of one slot machine facility with up to 1,250 slot machines. The facility (Plainridge Park Casino) opened on June 24, 2015 and must pay the state 40% of its gross gaming revenue. It is located around 40 minutes southeast of Boston, near the Rhode Island border.

## **NEW YORK**

### ***Tribal Casinos***

There are currently five Indian casinos in upstate New York. The Oneida Nation of Indians and the St. Regis Mohawk Tribe operate one each, and the Seneca Nation of Indians operates three. Each tribe has a negotiated compact with the state that sets out revenue-sharing terms and areas in which they are given the exclusive right to operate (i.e., geographic exclusivity). The Oneida and Seneca tribes pay the state 25% of their slot machine revenue, and the St. Regis Mohawk Tribe pays 25% of all gaming revenue.

There have been long-standing disputes between the state and the tribes over payments and land issues, among other things. But in 2013, the state and each tribe announced they reached agreements to settle the disputes. In the agreements, the tribes generally agreed to pay a certain percentage and in some instances a specified amount for back payments in return for enforcing geographical exclusivity in possible future licenses and land claim settlements. (For more information on these agreements, see the following press releases for the [Oneida Nation of Indians](#), [St. Regis Mohawk Tribe](#), and [Seneca Nation of Indians](#).)

## ***Commercial Casinos***

In a November 2013 referendum, New York voters approved a constitutional amendment to expand casino gaming and authorized up to seven casinos. The first four would be permitted upstate and there will be a seven-year moratorium on licensing the other three.

The new casinos will be subject to the existing slot machine tax rate (currently used in slot parlors or racinos) which range from 37% to 45% depending on the region with a 10% tax from all other sources (e.g., table games) ([N.Y. Rac. Pari-Mut. Wag. & Breed. Law § 1351](#)).

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