

# Potential Economic and Fiscal Impacts of the Proposed New Jersey Intrastate i-Gaming Bill

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## SUMMARY

The New Jersey legislature is considering the first intrastate i-Gaming bill in the U.S. The S3167 Senate Bill introduced by Senator Raymond Lesniak would ultimately allow licensed Atlantic City (“A.C.”) casinos to offer versions of their current games in an online format, including poker, blackjack, and baccarat qualifying to New Jersey residents. The proposed intrastate system would be regulated by the New Jersey Casino Control Commission, and an entirely new division would be created to oversee operations and licensing.

Passage of the proposed bill, would generate a number of positive economic and fiscal impacts by allowing the state to positively leverage its considerable gaming infrastructure.

In the short run, the impacts would be in the form of increased economic activity, employment, demand for commercial office space, and tax revenues, while imposing very little cost (environmental or economic) to the state and its citizens. The introduction of intrastate i-Gaming would generate an increased yield (win) for New Jersey operators; these new gaming revenues would be taxed at a 20% gross rate. In addition, the state would benefit from higher income (and other) taxes generated by the increased economic activity. These potential annual short-run benefits for poker and casino games only can be summarized as follows:

- \$210 million to \$250 million in Gross i-Gaming Yield
- 1,586 to 1,903 total jobs
- \$71 million to \$86 million in personal income
- \$46 million to \$55 million in New Jersey tax revenues

Ultimately, however, the greater long-term benefit for New Jersey may come from its future role as the business hub for the i-Gaming industry nation- (and possible world-) wide. Successful enactment of the proposed legislation could generate economic and fiscal benefits that far exceed those associated with an intrastate system. In particular, passage of this legislation could allow New Jersey to become the business hub of a burgeoning new industry, exporting services to and generating income from gamers throughout the country. These potential annual long-run impacts for casino and poker games only can be summarized as follows:

- \$2.7 billion to \$7.1 billion in Gross i-Gaming Yield
- 21,746 to 57,085 total jobs
- \$778 million to \$2 billion in personal income
- \$205 million to \$472 million in total New Jersey tax revenues