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The Indiana Gaming Commission (IGC) received an inquiry regarding the Casino Relocation Study performed by Spectrum Gaming Group (Spectrum) that was presented to the State Budget Committee on October 29, 2025, and posted on the IGC website thereafter.

The IGC provided a copy of the inquiry to Spectrum, whose response is also included below.

Inquiry

Spectrum erred when calculating the impact of a casino leaving Rising Sun on state wagering taxes. Spectrum projected \$32.1 million of Rising Star's \$41.5 million in gaming revenues would divert to Lawrenceburg (Hollywood Casino) and Belterra and mistakenly applied a uniform tax rate to that diverted revenue.

Rising Star pays an effective distressed state wagering tax of around 5%, while Belterra and Lawrenceburg are both in the 30% wagering tax bracket. Therefore, the \$32.1 million of INCREMENTAL revenue at those two casinos would be taxed at a ~25% higher rate than that revenue is currently taxed at Rising Star and result in over \$8 million of additional tax revenues, far eclipsing the \$1.1 million of tax revenues that would be lost on the abandoned Rising Sun revenue.

Spectrum Response

In response to the query below, it is important to know that there are complexities in the tax rates at the other properties that might benefit from the closure/relocation of Rising Star. In any event, Spectrum believes that \$32.1 million of the current casino GGR generated at the Rising Star would remain in Indiana, primarily at Hollywood Lawrenceburg, Belterra, French Lick, Horseshoe Indianapolis, and Harrah's Hoosier Park.

Without knowing which properties would benefit, and to what extent, and it is impossible to pinpoint the tax implications.

The GGR of the Rising Star casino is taxed using lower progressive rates (2.5% to 20%) than the other casinos in the state (ranging from 10% to 40%). We can estimate that shifting the \$32.1 million in GGR to the other properties would result in an increase of State gaming-tax revenue between \$10 million and \$12 million, depending on where the casino play flows after the assumed closure/relocation of Rising Star. In our report, we focused on the potential loss of revenue to Kentucky.

Another factor is the tax rebate the French Lick casino receives. The French Lick casino receives a scaled refund of casino taxes when the casino GGR is below \$80 million. If 20% of the displaced revenue shifted to the French Lick casino, the tax rebate would disappear.

In the following tables, we provide examples of differing tax outcomes under different steps (i.e., scenarios).

Estimated Tax Revenue FY 2025 LTM 6/30/25							
Rate	Step	Belterra	Hollywood	Fr Lick	Horseshoe	Hoosier	Total
10%	\$ 25	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	
20%	\$ 50	\$ 5	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
25%	\$ 75	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	
30%	\$ 150	\$ 2.57	\$ 22.50	\$ 0.42	\$ 22.50	\$22.50	
35%	\$ 600		\$ 0.03		\$ 63.78	\$34.18	
		\$ 16.32	\$ 36.28	\$ 14.17	\$ 100.03	\$70.43	\$ 237.24
Rebate				\$ (1.42)			\$ (1.42)
Total		\$ 16.32	\$ 36.28	\$ 12.75	\$ 100.03	\$70.43	\$ 235.82

Estimated Tax Revenue with Rising Star Potential Shift							
Shift	\$ 32.10	20%	20%	20%	20%	20%	100%
Rate	Step	Belterra	Hollywood	Fr Lick	Horseshoe	Hoosier	Total
10%	\$ 25	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	
20%	\$ 50	\$ 5	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
25%	\$ 75	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	
30%	\$ 150	\$ 4.50	\$ 22.50	\$ 2.35	\$ 22.50	\$22.50	
35%	\$ 600		\$ 2.28		\$ 66.03	\$36.43	
		\$ 18.25	\$ 38.53	\$ 16.10	\$ 102.28	\$72.68	\$ 247.83
Rebate				\$ -			\$ -
Total		\$ 18.25	\$ 38.53	\$ 16.10	\$ 102.28	\$72.68	\$ 247.83

Estimated Tax Revenue with Rising Star Potential Shift							
Shift	\$ 32.10	30%	50%	10%	5%	5%	100%
Rate	Step	Belterra	Hollywood	Fr Lick	Horseshoe	Hoosier	Total
10%	\$ 25	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	
20%	\$ 50	\$ 5	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
25%	\$ 75	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	
30%	\$ 150	\$ 5.46	\$ 22.50	\$ 1.38	\$ 22.50	\$22.50	
35%	\$ 600		\$ 5.65		\$ 64.34	\$34.74	
		\$ 19.21	\$ 41.90	\$ 15.13	\$ 100.59	\$70.99	\$ 247.83
Rebate				\$ (1.51)			\$ (1.51)
Total		\$ 19.21	\$ 41.90	\$ 13.62	\$ 100.59	\$70.99	\$ 246.32

Estimated Tax Revenue with Rising Star Potential Shift							
Shift	\$ 32.10	70%	25%	5%	0%	0%	100%
Rate	Step	Belterra	Hollywood	Fr Lick	Horseshoe	Hoosier	Total
10%	\$ 25	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	\$ 2.50	
20%	\$ 50	\$ 5	\$ 5.00	\$ 5.00	\$ 5.00	\$ 5.00	
25%	\$ 75	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25	
30%	\$ 150	\$ 9.32	\$ 22.50	\$ 0.90	\$ 22.50	\$ 22.50	
35%	\$ 600		\$ 2.84		\$ 63.78	\$ 34.18	
		\$ 23.07	\$ 39.09	\$ 14.65	\$ 100.03	\$ 70.43	\$ 247.27
Rebate				\$ (1.47)			\$ (1.47)
Total		\$ 23.07	\$ 39.09	\$ 13.19	\$ 100.03	\$ 70.43	\$ 245.81