



Dave Yost
Ohio Auditor of State

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TO: City Auditors and Finance Directors
County Auditors and Fiscal Officers
School District Treasurers
Community School Fiscal Officers
Independent Public Accountants

FROM: Dave Yost, Ohio Auditor of State

SUBJECT: Casino Revenue

In 2009, the voters approved operating four casino facilities in Ohio, including one within each of the cities of Cincinnati, Cleveland and Toledo and one within Franklin County.¹ A thirty-three percent tax will be levied and collected by the State of Ohio on all gross casino revenue received by each casino operator of these four casino facilities. The casino operators will file a return and make payment daily to the tax commissioner. These monies are deposited into the casino tax revenue fund.

The proceeds of the tax on gross casino revenue will be distributed as follows:

1. Fifty-one percent to the gross casino revenue county fund to be distributed among all eighty-eight counties in proportion to such counties' respective populations at the time of such distribution. If a county's most populated city, as of the 2000 United States census bureau census, had a population greater than 80,000, then fifty percent of that county's distribution will go to said city;
2. Thirty-four percent to the gross casino revenue county student fund to be distributed among all public school districts, to be used to support primary and secondary education;
3. Five percent to the gross casino revenue host city fund for the benefit of the cities in which casino facilities are located;

¹ Section 6 of Article XV, Ohio Constitution

4. Three percent to the Ohio state racing commission fund to support horse racing in this state at which the pari-mutuel system of wagering is conducted;
5. Two percent to the Ohio law enforcement training fund to support law enforcement functions in the state;
6. Two percent to the problem casino gambling and addictions fund to support efforts to alleviate problem gambling and substance abuse and related research in the state;
7. Three percent to the casino control commission fund to support the operations of the Ohio casino control commission and to defray the cost of administering the tax levied under section 5753.02 of the Revised Code.

Payments to the counties and cities will be made by the end of the month following the end of each calendar quarter.

Payments to the school districts will be made by the last day of January and by the last day of August of each year, beginning in 2013.

These payments will be made to the local governments by the department of taxation.

The casino money received by local governments is an allocation of the gross casino tax levied by the State of Ohio, and will be classified as intergovernmental revenue. Counties and cities should set up a separate revenue line item within the intergovernmental category. School districts should use receipt code 3190, "Other Unrestricted Grants-in-aid." There are no restrictions on the use of casino money; therefore, it should be receipted into the general fund.

Casino money is a state-levied shared tax and for GAAP reporting purposes, is accounted for like voluntary or government-mandated nonexchange transactions. Since no time requirements are specified, the applicable period is therefore the State of Ohio's fiscal year (July through June). At December 31, a county or city would record a receivable for the following January and April distributions. The entire amount will be recorded as revenue on the accrual basis; however, some or all of this amount may be recorded as deferred revenue under the modified accrual basis, depending on when the resources are received. Since school districts operate on the same fiscal year as the state, the full amount will be received by the end of the fiscal year.

~~Addition information related to the gross casino revenue tax can be found on the Department of Taxation's web site:~~

~~http://tax.ohio.gov/divisions/gross_casino_revenue/index.stm.~~

Now classified as
"deferred inflow" or
"unearned revenue"

If you have any questions regarding the information in this Bulletin, please contact the Local Government Services staff of the State Auditor's Office at (800) 345-2519.

Dave Yost
Ohio Auditor of State