

SB18 INTRODUCED



1 SB18
2 ZQSDPKK-1
3 By Senator Beasley
4 RFD: Tourism
5 First Read: 13-Jan-26
6 PFD: 28-Aug-25



SYNOPSIS:

Under existing law, there is a state privilege tax that is levied upon every person engaged in the business of conducting pari-mutuel wagering at a race track.

This bill would establish a new state privilege tax of four percent of the net gambling revenues of licensees conducting pari-mutuel wagering on historical horse racing, which would be in lieu of any other state privilege taxes.

A BILL
TO BE ENTITLED
AN ACT

Relating to taxation; to add Section 40-26A-2.1 to the Code of Alabama 1975, to levy a state privilege tax on the net gambling revenues from certain pari-mutuel wagering activities.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 40-26A-2.1 is added to the Code of Alabama 1975, to read as follows:

§40-26A-2.1

(a) There is levied on every person engaged in the



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business of managing or facilitating pari-mutuel wagering on historical horse racing a state privilege tax of four percent of the person's net gambling revenue. The tax shall be collected by the Department of Revenue.

(b) For purposes of subsection (a), "net gambling revenue" means the total amount of money or value in any form received as a result of any pari-mutuel wagering on historical horse racing activities, excluding free bets, free plays, and promotional credits, less federal excise taxes, voided wagers, and the total money or value in any form paid as prizes or winnings.

(c) The state privilege tax levied under this section is exclusive of and supersedes any other state taxes now imposed on historical horse racing pari-mutuel activities, including but not limited to the state privilege tax imposed by Section 40-26A-2, Code of Alabama 1975.

(d) Nothing in this section shall change the existing state tax structure for live greyhound and thoroughbred racing as well as simulcast live greyhound and thoroughbred racing.

(e) Nothing in this section shall be construed to authorize, permit, or expand any form of gambling activity beyond that which is permitted by law on January 1, 2026.

Section 2. This act shall become effective on the first day of the second month following its passage and approval by the Governor or its otherwise becoming law.