
By: Delegates Bozman and C. Davis

Introduced and read first time: January 22, 1997

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Horse Racing - Taxes - Purses**

3 FOR the purpose of repealing taxes on certain amounts bet on certain thoroughbred and
4 harness races; requiring certain licensees to alter the percentage of money that is
5 allocated to purses from certain amounts bet on certain races; and generally relating
6 to taxes and purses allocated from amounts bet on certain thoroughbred and
7 harness races.

8 BY repealing and reenacting, with amendments,
9 Article - Business Regulation
10 Section 11-515, 11-614, and 11-616
11 Annotated Code of Maryland
12 (1992 Volume and 1996 Supplement)

13 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
14 MARYLAND, That the Laws of Maryland read as follows:

15 **Article - Business Regulation**

16 11-515.

17 (a) Except as provided in §§ 11-515.1 and 11-516 of this subtitle, the takeout that
18 a licensee deducts from the handle of a race shall be allocated in accordance with this
19 section.

20 (b) A licensee shall:

21 (1) keep 50% of the breakage;

22 (2) allocate 45% of the breakage for purses; and

23 (3) allocate 5% of the breakage to the Maryland-Bred Race Fund.

24 (c) From the 17% that a licensee deducts from each regular mutuel pool, the
25 licensee shall:

26 (1) keep 7.70% of each regular mutuel pool, from which the licensee shall
27 pay 0.25% of each regular mutuel pool to the Maryland Race Track Employees Pension
28 Fund;

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1 (2) [allocate 0.50% of each regular mutuel pool to the Commission for
2 State tax;

3 (3)] allocate 1.10% of each regular mutuel pool to the Maryland-Bred Race
4 Fund; and

5 [(4)] (3) allocate [7.70%] 8.2% of each regular mutuel pool for purses.

6 (d) From the 19% that a licensee deducts from each multiple mutuel pool on 2
7 horses, the licensee shall:

8 (1) keep 8.70% of each multiple mutuel pool, from which the licensee shall
9 pay 0.25% of each multiple mutuel pool to the Maryland Race Track Employees Pension
10 Fund;

11 (2) [allocate 0.50% of each multiple mutuel pool to the Commission for
12 State tax;

13 (3)] allocate 1.10% of each multiple mutuel pool to the Maryland-Bred Race
14 Fund; and

15 [(4)] (3) allocate [8.70%] 9.2% of each multiple mutuel pool for purses.

16 (e) From the 25% that a licensee deducts from each multiple mutuel pool on 3 or
17 more horses, the licensee shall:

18 (1) keep 11.70% of each multiple mutuel pool, from which the licensee shall
19 pay 0.25% of each multiple mutuel pool to the Maryland Race Track Employees Pension
20 Fund;

21 (2) [allocate 0.50% of each multiple mutuel pool to the Commission for
22 State tax;

23 (3)] allocate 1.10% of each multiple mutuel pool to the Maryland-Bred Race
24 Fund; and

25 [(4)] (3) allocate [11.70%] 12.2% of each multiple mutuel pool for purses.

26 11-614.

27 Except as provided in § 11-614.1 of this subtitle, a licensee whose average handle is
28 over \$600,000 shall:

29 (1) allocate FOR PURSES 0.50% of each mutuel pool [to the Commission as
30 State tax], WHICH SHALL PROVIDE REVENUE IN ADDITION TO ANY OTHER FUNDS
31 SET ASIDE FOR PURSES BY PRIVATE PARTIES;

32 (2) allocate 0.25% of each mutuel pool to the Maryland Harness Track
33 Employees Pension Fund;

34 (3) keep 16.25% of each regular mutuel pool;

35 (4) keep 18.25% of each multiple mutuel pool on 2 horses; and

36 (5) keep 24.25% of each multiple mutuel pool on 3 or more horses.

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1 11-616.

2 A licensee whose average handle is \$600,000 or less shall:

3 (1) allocate FOR PURSES 0.50% of each mutuel pool [to the Commission as
4 State tax];

5 (2) subject to § 11-618 of this subtitle, allocate 0.25% of each mutuel pool to
6 the Maryland Harness Track Employees Pension Fund;

7 (3) keep 18.00% of each regular mutuel pool;

8 (4) keep 20.00% of each multiple mutuel pool on 2 horses; and

9 (5) keep 26.00% of each multiple mutuel pool on 3 or more horses.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 July 1, 1997.