



ILLINOIS GAMING BOARD

JB Pritzker • Governor Charles Schmadeke • Chairman Marcus D. Fruchter • Administrator

801 South 7th Street ♠ Suite 400 South ♣ Springfield, Illinois 62703 ♥ tel 217/524-0226 ♦ fax 217/785-7541

June 17, 2025

To All Illinois Sports Wagering Operators:

On May 31, 2025, the Illinois General Assembly amended the Sports Wagering Act to impose a new per wager privilege tax on all online sports wagers, beginning July 1, 2025. The per wager tax became law on June 16, 2025, as part of Public Act 104-0006. The new statutory text appears below:

Beginning on July 1, 2025, and each month thereafter, for the privilege of holding a license to operate sports wagering under this Act, this State shall impose a wager tax on each master sports licensee for each individual wager placed with the master sports licensee for sports wagering over the Internet or through a mobile application. The tax shall be based on the following schedule and shall be in addition to any other taxes or fees imposed under this Act:

The tax shall be \$0.25 per wager for the first 20,000,000 annual combined Tier 1 and Tier 2 wagers.

The tax shall be \$0.50 per wager for each wager in excess of 20,000,000 annual combined Tier 1 and Tier 2 wagers.

The tax levied under this subsection shall be deposited monthly into the Sports Wagering Fund. The Board shall certify all amounts deposited into the Sports Wagering Fund under this subsection to the State Comptroller. The State Comptroller shall direct and the State Treasurer shall transfer that certified amount from the Sports Wagering Fund to the General Revenue Fund.

As used in this subsection, "annual combined Tier 1 and Tier 2 wagers" means the total number of individual wagers placed with the licensee, regardless of outcome or payout in a given fiscal year

230 ILCS 45/25-90 (d-7) (NEW)

The Illinois Gaming Board (IGB) issued the following FAQs to all Illinois sports wagering operators to help facilitate the orderly implementation and collection of the new per wager tax.

APPLICABILITY AND ENFORCEMENT

When does the new per wager tax law go into effect? The statutory effective date is July 1, 2025, and tax liabilities will begin accruing at that time. The first tax remittance

from operators to the IGB is due no later than August 31, 2025, when operators submit your July sports wagering tax reporting.

When does the new per wager tax increase from \$0.25 to \$0.50 per wager? The tax increases to \$0.50 per wager after a licensee accepts 20,000,000 individual online wagers. The tax is based on the “total number of individual wagers placed with the licensee.”

Does the new per wager tax only apply to mobile/internet wagers? Yes. The statutory language provides that the tax only accrues from wagers placed “over the Internet or through a mobile application.” The per wager tax does not attach to in-person wagers placed at retail locations via kiosks or cashiers.

REPORTING AND ACCOUNTING

Will monthly IGB tax reporting forms change to reflect the new per wager tax? Yes. The current monthly tax submission form already asks for wagers placed during the reporting month. The IGB will update the tax reporting form with a box to calculate the per wager tax based on the licensee’s reported number of monthly wagers.

Is the new per wager tax based on when the wager occurs, or when the event resolves? The per wager tax is not dependent on the outcome of the wager. Tax liability for the per wager tax accrues at the time the customer places each individual wager. As such, reporting should occur in the month the wager was placed, not when the wager resolves.

Does “annual” year as used in the new tax provision mean January-December (calendar year), from the date the law is passed or enacted, or fiscal year? “Annual” as used in the statute means fiscal year. Illinois’s fiscal year is July 1 through June 30.

How does the new per wager tax impact reporting of Adjusted Gross Sports Wagering Receipts (AGSWR)? The new per wager tax itself has no impact on AGSWR reporting.

WAGER-SPECIFIC QUESTIONS

Does the new per wager tax apply to wagers placed with bonus bets, reward credits, or equivalent? Yes. Illinois sports wagering law makes no distinction between wagers based on the source of funding a patron uses to place a wager.

How often does the new per wager tax apply to parlays or round robin wagers? Any composite wager, such as a parlay, round robin, or similar bet, is a single wager. However, multiple distinct wagers printed on the same betting slip are still considered separate wagers for tax purposes.

Does the new per wager tax apply to pushed wagers? Yes. The statute specifies that the per wager tax attaches to all wagers placed with the licensee, “regardless of outcome or payout.” The IGB is aware that some operators may have been incorrectly or imprecisely using terms like “void” in their house rules to refer to outcomes that should have been accurately classified as a “push.” Under a purely AGSWR-based taxation system, such imprecise usage of terms had no practical impact in revenue reporting because use of either term results in a net zero AGSWR. However, this definitional distinction now has a concrete impact on tax revenue reporting due to enactment of the new per wager tax. Accordingly, the IGB strongly encourages all licensees to review your house rules, internal controls, and record keeping systems to ensure that pushed wagers are *not* treated as voids in your sports wagering systems and that your reporting of wagers and tax liabilities is accurate and statutorily compliant.

How does the new per wager tax apply to early cash outs? The per wager tax incurs once the customer places the wager. Whether the wager wins, loses, pushes, or is cashed out early does not change the tax liability under the statute.

Does the new per wager tax apply to void or cancelled wagers? No. A wager that is void under any provision of the IGB Sports Wagering Rules, or cancelled pursuant to any provision of IGB Sports Wagering Rule 1170, is treated as if it never occurred and does not incur the per wager tax.

If you have further operator specific questions that the FAQs above do not address, please email Jared Smith, Deputy Administrator for Gaming Controls & Technology at Jared.Smith@Illinois.gov.