

Legislative Budget and Finance Committee

**The Impact of Tavern Gaming on the
Pennsylvania State Lottery**

**Report Presentation by Philip Durgin,
Executive Director, at May 18, 2016, Meeting**

Good morning. Act 90 of 2013 allowed gaming, in the form of pull-tabs, daily drawings, and raffles, at Pennsylvania taverns. Included in the act was a requirement that our Committee conduct an annual assessment of the impact of this type of gaming on the State Lottery. This is our first such review under that act.

We found that tavern gaming has not taken hold in the way it was originally thought it would, and has therefore generated only a small portion of the revenue that was anticipated. To be specific, in 2015 tavern gaming generated only \$1.42 million in state tax revenue, a far cry from the \$93.6 million that was projected would be generated when the bill passed in 2013. Because \$1.42 million is only about one-tenth of 1 percent (0.12 percent) of the state tax revenue generated by the State Lottery, we concluded that tavern gaming could not have a material impact on State Lottery sales.