

September 14, 2022

To: Mayor and Members of Council 202201775
From: Sheryl M.M. Long, City Manager
Subject: Ordinance Modifying Chapter 311 "City of Cincinnati Income Tax"

Transmitted herewith is an ordinance captioned as follows:

MODIFYING Chapter 311 of the Cincinnati Municipal Code, "City of Cincinnati Income Tax," by ENACTING new Sections 311-9-L2, "Lottery Sports Gaming," 311-9-S7, "Sports Gaming," 311-9-S8, "Sports Gaming Facility," 311-9-T9, "Type B Sports Gaming Proprietor," and by AMENDING Section 311-31, "Collection at Source; Casino and VLT," for the purpose of requiring Type B sports gaming proprietors and lottery sales agents to withhold and remit municipal income tax to satisfy requirements made necessary by the legalization of sports betting in Ohio as of January 1, 2023.

Ohio HB 29, passed by the Ohio Legislature in December 2021, legalized and regulated sports gaming in Ohio starting January 1, 2023. The three types of sports gaming authorized include on-line sports gaming-mobile applications (type A), sports gaming facilities operated within casinos or professional sports arenas (type B), and lottery sports gaming machines located mostly at bars and restaurants (type C). Gambling and sports winnings are currently subject to local tax in accordance with Section 311-9-1(d). This ordinance will require proprietors of sports gaming facilities within the city on or after January 1, 2023, to withhold and remit local income tax on type B winnings if the winnings exceed the federal income tax reporting threshold of \$600.

c: William "Billy" Weber, Assistant City Manager
Karen Alder, Finance Director

Attachment