



CONGRESS OF THE UNITED STATES  
HOUSE OF REPRESENTATIVES  
WASHINGTON, D.C.

DINA TITUS  
MEMBER OF CONGRESS  
1ST DISTRICT NEVADA

COMMITTEE ON  
TRANSPORTATION &  
INFRASTRUCTURE

COMMITTEE ON  
FOREIGN AFFAIRS

December 12, 2017

The Honorable Paul Ryan  
Speaker, U.S. House of Representatives  
H-232, U.S. Capitol  
Washington, DC 20515

The Honorable Mitch McConnell  
Majority Leader, U.S. Senate  
S-230, U.S. Capitol  
Washington, DC 20510

The Honorable Nancy Pelosi  
Democratic Leader  
U.S. House of Representatives  
H-204, U.S. Capitol  
Washington, DC 20515

The Honorable Chuck Schumer  
Minority Leader, U.S. Senate  
S-221, U.S. Capitol  
Washington, DC 20510

Dear Speaker Ryan, Majority Leader McConnell, Minority Leader Pelosi, and Minority Leader Schumer,

As the Conference Committee undertakes last minute fixes to the tax bill, I urge the conferees to eliminate the excise tax on sports betting known as the handle or turnover tax (26 U.S.C. §§ 4401 and 4411).

Congress included the handle tax as a provision in the Revenue Act of 1951 as a way to generate revenue for enforcing state criminal laws against gambling. In theory, the law is a noble one. In practice, the tax has sucked money out of Nevada without ensuring the state receives the benefits outlined by Congress.

Sports wagering companies – the vast majority of which operate in my congressional district and contribute the preponderance of the tax – have spent years paying this tax in good faith while watching the black market for sports betting balloon into an illegal cottage industry that generates \$150 billion of revenue and annually evades taxation at all levels of government.

In addition, my office has contacted the IRS multiple times during my tenure in Congress to track how money from the Handle Tax flows from Las Vegas to law enforcement. What we have discovered is troubling. It seems the Treasury Department absorbs the money without a trace, circumventing the intent of the law and harming businesses for doing the right thing.

The IRS Statistics of Income program does not track the Handle Tax data and suggested my office try contacting a private entity to crunch the numbers for us. That is unacceptable, irresponsible, and indicative that change is long overdue. If the IRS wants taxpayers to rely on other institutions to track the data, it should be relieved of its obligation to collect the money.

Companies and experts estimated that the federal government collects some \$10 million annually under the Handle tax from businesses operating in my district. That's an infinitesimal amount at

the federal level but a valuable sum that could boost job creation and innovation in the gaming industry.

Removing this provision will take the target off the backs of Nevada businesses and level the playing field. Repealing this untenable law is long overdue. I thank you for your consideration and review.

Sincerely,

A handwritten signature in blue ink that reads "Dina Titus". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

Dina Titus  
Member of Congress