

May 5, 2025

The Honorable Phillip DeVillier
State Capitol Building (1st Floor)
P.O. Box 94062
Baton Rouge, LA 70804

RE: Please Oppose HB 639 – Harmful Sports Betting Tax Increase

Dear Speaker DeVillier and Members of the Louisiana House of Representatives:

On behalf of the iDevelopment and Economic Association (iDEA), I respectfully urge you to oppose HB 639, a proposal that would more than double the sports betting tax rate in Louisiana – from 15% to 32.5%. This dramatic shift would make Louisiana one of the highest-taxed sports betting jurisdictions in the country, undermining the very progress your state has made in establishing a regulated, competitive, and consumer-friendly sports betting market.

iDEA is the leading trade association for the online gaming industry in the United States. Our members include Louisiana-licensed sports wagering operators of all sizes as well as key suppliers that support the industry’s compliance, technology, payments, and consumer protection functions. Collectively, these companies have made significant investments in Louisiana’s regulated market and are deeply committed to its success. All of them would be adversely impacted by the abrupt and excessive tax increase proposed under HB 639.

Over the past 12 months, Louisiana’s legal sports betting industry has generated record-breaking revenues for the state—nearing \$68 million in total tax contributions. These results are not coincidental; they are the product of a well-calibrated tax and regulatory environment that has attracted investment, encouraged innovation, and drawn bettors away from unregulated offshore markets. HB 639 threatens to upend this success.

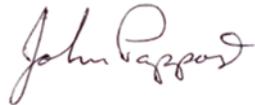
Consider the example of Super Bowl LVIII. Louisiana’s current tax policy approach helped spur record single-day betting activity across the state, showcasing how a balanced framework can maximize economic opportunity. Rather than build upon this momentum, HB 639 sends a troubling signal to current and prospective operators that Louisiana is retreating from its pro-growth commitments.

If the state's objective is to responsibly grow gaming revenues, we urge lawmakers to look beyond tax increases and toward more sustainable solutions—namely, legalizing online casino gaming. A 2024 study by *Vixio* and *Light & Wonder* projects that regulated iGaming in Louisiana, taxed at the same 32.5% rate proposed in HB 639, could generate up to \$250 million in **annual** tax revenue. That's nearly four times the current sports betting tax yield—without destabilizing an industry that is already delivering results.

Louisiana has a long-standing tradition of working collaboratively with industries to promote economic growth without resorting to punitive tax measures. The state's lawmakers have historically recognized that economic stimulus thrives under lower taxes for both businesses and consumers. A sudden tax hike of this magnitude would reduce promotional activity, limit consumer incentives, and push players back to illegal markets that offer none of the consumer protections or tax benefits Louisiana's licensed operators provide. Simply put, HB 639 threatens to stall growth, stifle innovation, and reduce long-term revenue potential.

We urge you to reject HB 639 and instead pursue policies that promote economic opportunity, regulatory stability, and consumer protection. Louisiana's gaming market is delivering on its promise—let's not derail that progress with a short-sighted and counterproductive tax increase.

Sincerely,



John A. Pappas
State Advocacy Director
iDevelopment and Economic Association (iDEA)
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CC: Members of the Louisiana House of Representatives