

May 14, 2025

The Honorable Destin Hall

Speaker of the House
North Carolina House of Representatives
16 West Jones Street, Room 2304
Raleigh, NC 27601-1096

The Honorable Phil Berger

President Pro Tempore
North Carolina Senate
16 West Jones Street, Room 2007
Raleigh, NC 27601-2808

RE: Reject Proposed Doubling of Sports Betting Tax Rate

Dear Speaker Hall and President Pro Tempore Berger:

On behalf of the iDevelopment and Economic Association (iDEA), I write to express deep concern over a provision included in the Senate budget proposal that would double the tax rate on licensed sports wagering from 18% to 36%. We strongly urge the House to reject this measure and to maintain the stable, predictable framework that has underpinned the early success of North Carolina's regulated market.

iDEA is a national trade association representing all facets of the legal online gaming ecosystem—including licensed operators, compliance and payments providers, and other key suppliers. Many of our members are licensed and active in North Carolina, having invested significant capital and resources based on the current regulatory structure. They entered this market with five-year licenses and a clear understanding of the 18% tax rate established under bipartisan legislation just two years ago.

North Carolina's sports betting market only launched in March 2024—and by any metric, it is off to an exceptional start. According to the North Carolina Lottery, the state has already collected over **\$94.2 million in tax revenue** from sports wagering in just the past 12 months, far exceeding initial projections. In April alone, the industry delivered nearly **\$8.5 million** in tax revenue to the Department of Revenue.

This kind of early performance demonstrates that the current framework is working—drawing players into the legal market, generating substantial public revenue, and enabling local partnerships with North Carolina teams and venues. Altering the tax rate so dramatically, and so soon after launch, sends a damaging message to businesses across the country: that success will be punished, not rewarded.

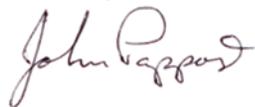
North Carolina has worked hard to position itself as a welcoming hub for technology and innovation. Changing the rules midstream undermines that message. It introduces instability into a nascent market, discourages further investment, and reduces the ability of operators to offer competitive products to consumers. Moreover, it creates an opening for the illegal offshore market to recapture bettors who are price-sensitive and may be driven away by reduced odds or diminished promotional offerings.

If the state seeks to grow gaming revenue sustainably, we encourage lawmakers to explore policies that expand the legal market—such as the eventual consideration of regulated online casino gaming—not short-sighted tax increases that could stifle it.

We urge you to reject the Senate’s proposed tax hike and protect the progress that North Carolina has made in building a fair, competitive, and revenue-generating sports wagering market.

Thank you for your consideration.

Sincerely,



John A. Pappas
State Advocacy Director
iDevelopment and Economic Association (iDEA)
jpappas@ideagrowth.org