



Interested Party Testimony on House Bill 298 | House Finance Committee

Chairman Stewart, Vice-Chair Dovilla, Ranking Member Sweeney, and members of the committee, thank you for the opportunity to provide Interested Party testimony on House Bill 298.

Americans for Prosperity—Ohio does not oppose the legalization of internet gambling, online horse wagering, or expanded lottery offerings. However, we want to highlight a critical consideration as the committee evaluates this legislation: how Ohio will steward the significant new revenue this bill is likely to generate.

Use New Gambling Revenue to Cut Taxes, Not Grow Government

If enacted, HB298 would legalize internet gambling in Ohio and impose a new tax structure on operators:

- **28% flat tax on internet gambling receipts.**
- **\$50 million license fee** for a five-year operator license, with a **\$10 million renewal.**

These revenues are expected to be substantial. Based on Ohio's recent experience with legalized sports betting, this market could generate **over \$500 million annually** once fully mature.

We've seen the scale of what legalized gambling can bring in:

- After sports betting launched in Ohio in 2023, total wagers exceeded **\$7.65 billion**, yielding **\$936 million in taxable revenue** and **\$133 million in tax revenue** in the first year alone.
- That number grew to **\$8.9 billion in wagers in 2024**, signaling a rapidly growing market.

While these potential revenue gains for Columbus are promising, **they must not be used to expand government obligations or launch new permanent programs** that increase our general revenue fund obligations.

We encourage this committee and the full General Assembly to use the new revenue from HB298 to:

- **Advance Ohio toward a flat personal income tax**, with an intermediate goal of a 2.75% flat rate.
- **Provide tax relief for families and small businesses**, ensuring that prosperity from growth in one sector benefits all Ohioans.
- **Avoid the trap of growing government spending in step with revenue windfalls.**

A Significant Opportunity for Tax Reform

HB298 is more than just a gaming bill—it is an economic policy moment.

Handled wisely, it can be the lever that finally delivers on a long-standing policy goal: moving Ohio to a flat income tax that is fairer, simpler, and more competitive with our neighboring states.

Americans for Prosperity—Ohio urges the committee to ensure that any new revenue generated by this bill is used not to grow the size of government—but to grow the prosperity of the people of Ohio.

Thank you for your time and consideration. I'd be happy to answer any questions.