



July 25, 2025

The Honorable Jason Smith
Chair
Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Kelly
Chair, Tax Subcommittee
Committee on Ways and Means
1139 Longworth House Office Building
Washington, DC 20515

Dear Chairman Smith and Subcommittee Chairman Kelly,

On behalf of the American Gaming Association (AGA) and its members, we write to express our sincere appreciation for the Committee's leadership in advancing the positive tax policies included in the One Big Beautiful Bill Act (OBBB). Today's hearing in Las Vegas is an opportunity to highlight the economic impact that the gaming industry has, and how modern tax policies help us grow. The gaming industry supports 1.8 million jobs across the country, with over 330,000 in Nevada. We have a national economic impact of over \$328 billion, \$30 billion of it coming from the Silver State.

The gaming industry is tremendously grateful for the Committee's work to preserve and advance key provisions that support economic growth across our industry. Maintaining the 21% corporate tax rate and the Section 199A deduction for pass-through businesses provides stability for operators large and small. The restoration of 100% bonus depreciation and R&D will support investment and innovation for our industry's manufacturers and technology companies.

We also appreciate the return to EBITDA as the standard under the Section 163(j) interest limitation, the continued deductibility of state and local taxes for C corporations, and the favorable treatment of expense allocations for foreign tax credits for operators with an international presence. These provisions will provide clarity and support for American businesses, helping to foster continued economic growth and fairness across many sectors.

We are also celebrating the modernization of tax thresholds – something the industry has been trying to achieve for decades. The new reporting threshold of \$2,000 for slot winnings will mean less compliance burdens for our patrons and operators, while also eliminating unnecessary paperwork for the IRS. We were gratified to see that the House passed bill included the 100% deduction for gambling losses, a 70-year bipartisan principle, that allows gamblers to deduct losses up to their winnings, a standard that was reaffirmed by the 2017 Tax Cuts and Jobs Act.



However, because of Senate procedural rules, this provision was changed to allow for only 90% limitation on gambling loss deductions. The result creates an unfair precedent by taxing phantom income and uniquely penalizing a legal, heavily regulated activity. We encourage timely action to restore fairness and consistency in the tax code for American consumers and look forward to working with you to revert to the House language.

We are grateful for the historic tax provisions secured and we stand ready to assist the Committee in addressing this important issue on behalf of the gaming industry.

Thank you for your leadership and consideration,

Bill Miller
President & CEO
American Gaming Association