



A bill that legalizes online gambling and sports betting is going to pass with bilateral support in Michigan. The bill is expected to get a final nod at the governor's desk by this weekend.

The Michigan Senate Regulatory Reform Committee has sanctioned the online gambling (Poker/Casino) and sports betting bill after the amendments which allow 21 and above to gamble. The bill got a consensus of senators on December 11 and is expected to get approval from the [sports betting](#) House of Representatives competition as well.

This step has been taken previously in last December as well but saw a last-minute disapproval from Governor Rick Snyder. The current Governor Gretchen Whitmer has already indicated affirmatively towards passing both of the bills.

Tax Rate on Sports Betting Reduced

Whitmer previously intended to have an initial fee hike ranging from \$2 million to \$1 million, but now she has admitted to keep it at \$100,000, which will have a yearly application renewal fee of \$50,000.

Betting Tax Rate

As per the amendments, instead of 8.75% previously proposed tax, an 8.4% tax would be levied from the remaining amount after the amount of the winnings paid.

The amendment clause mentions a variable tax structure (ranging from 20%–28%) for gambling sites depending on their annual revenue generation. This is actually a bit more than the previous proposal.

The companies whose revenue is below \$4 million annually will be levied 20% tax, companies with annual revenue generation between \$4 million–\$8 million will be levied 22% tax and companies that have 12 million annual revenue will be charged 28% tax.

How will Sports Betting Tax be Utilized?

The majority of the tax funds generated from sports betting will be utilized as a "School Aid Fund" for improving educational quality standards. The Governor is said to have supported this bill for this very reason.

Spokesperson Brown said that Senator Hertel and Rep. Warren had initiated this very idea. A separate amount of 2 million annually will be kept aside as the "First Responder Presumed Coverage Fund" to support the cancer treatment of firefighters.

Michigan to Legalize Daily Sports

Under the "Fantasy Contests Consumer Protection Act," Michigan is soon set to legalize Daily Fantasy sports as well, which have a big market out there. An 8.4% tax rate will be levied, similar to sports betting.