

Exhibit VIII.B.4 Projected Tax Revenue to the State

In addition to the NYS requested template at the end of this section, Traditions Resort & Casino, LLC retained the innovation group to assist with projecting the Tax Revenue to NYS.

Tax and Other Fiscal Benefit—Base-Case Scenario

The state and local economy would also benefit from the casino development due to the expansion of various tax bases. The Innovation Group identified several tax bases that would be impacted by the subject development, including the ongoing gaming tax, sales, and property tax. The additional tax revenue would benefit the State of New York and Broome County.

Gaming Taxes

From an ongoing perspective, a tax unique to the gaming industry would be levied against gaming revenue. The gaming revenue is taxed at a blended rate of approximately 31% (38% for slots and 10% for tables).

Gaming tax is estimated to total \$81.5 million, of which 10% would go to the host community to be split 50%-50% between Broome County and the host City. The effective tax rate for the host community is calculated to be 3.7% given the slot/table revenue split estimated in Exhibit VIII.A.3. Surrounding counties in the Region would also split 10% of gaming taxes or 3.7% of gaming revenue. Funding to the State and surrounding counties is to be targeted to school funding and/or property tax relief.

Total Gaming Tax Revenue Summary (in thousands)

Tax	Total Gaming Tax	To State	To Host County/City	To Surrounding Counties
Base	\$33,168.3	\$26,534.6	\$3,316.8	\$3,316.8
Low	\$31,133.9	\$24,907.1	\$3,113.4	\$3,113.4
High	\$35,764.8	\$28,611.9	\$3,576.5	\$3,576.5

Source: The Innovation Group

**Gaming Tax includes GGR Tax and gaming machine fees

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Sales Taxes

According to the New York Department of Taxation and Finance, sales tax for the State of New York is 8.0% of sales. Sales tax is calculated on all retail sales of goods and on food and beverage sold. Hotels in the state of New York have an additional tax called a “Bed Tax” that is equal to 5.875% of Hotel revenue.

Sales Tax Revenue (2020) in millions		
	Tax Rate	Revenue
Food and Beverage		\$13.53
Hotel		\$8.42
Retail/Other		\$6.91
Total Revenue		\$28.86
NY Sales Tax	8.0%	\$2.31
NY Bed Occ. Tax	5.875%	\$0.49
Total Sales Tax Revenue to State		\$2.80

Source: New York Department of Taxation and Finance

Property Taxes

According to the Town of Union, NY Assessor’s office, the facility’s property tax is based on 4% of the appraised value of the real property. For purposes of this analysis, the estimated assessed value of the property is \$84.3 million (less operating capital, pre-opening expenses, soft costs, finance charges, etc.), which was used as the appraised value of the improvements. The calculation takes 2 predetermined rates for school taxes and town and county rates. These rates are then multiplied by an equalization rate. Each amount (schools and town and county) is then scaled per \$1,000 of assessed value.

Property Tax Estimate (in millions)		
Tax Rate Calculation		
Schools		597.11
Town and County		279.89
		877.00
Equalization Rate *	x	4.60%
		40.34
	/	1,000
Property Tax Rate		4.03%
Property Tax Calculation		
Assumed Assessed Value#		\$84.3
Property Tax Rate		4.03%
		\$3.40

Source: Town of Union, NY Assessor

* Interview w/ Town Assessors staff noted that the equalization Rate will decrease to 4.6% in mid-year 2014

#Assessment value is based on assumed hard & soft costs for the full build-out

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Tax Summary

The following table summarizes the estimated tax payments made by the proposed development at the county level.

County Tax Revenue Summary (in thousands)					
Tax	2016	2017	2018	2019	2020
Net Gaming Tax	\$3,317	\$3,429	\$3,711	\$3,823	\$3,920
Dividends#	\$9	\$9	\$13	\$13	\$13
Social Insurance Tax#	\$72	\$72	\$95	\$98	\$99
Business Taxes#	\$3,418	\$3,525	\$5,506	\$5,647	\$5,791
██████████	██	██	██	██	██
Personal Tax#	\$784	\$791	\$1,036	\$1,061	\$1,082
Gaming License	\$35,000	\$0	\$0	\$0	\$0
Horseman Fee	\$0	\$0	\$0	\$0	\$0
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$964	\$1,002	\$1,566	\$1,614	\$1,662
Lodging/Bed Tax	\$269	\$279	\$563	\$584	\$610
Total State Taxes	\$47,647	\$12,925	\$16,458	\$16,821	\$17,173

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

*Gaming Tax includes 5% to host City

**Gaming Tax includes GGR Tax and gaming machine fees

#Estimate from Implan

The following table summarizes the estimated tax payments made by the proposed development at the state level.

State-Level Tax Revenue Summary (in thousands)					
Tax	2016	2017	2018	2019	2020
Net Gaming Tax*	\$29,851	\$30,861	\$33,397	\$34,407	\$35,277
Dividends#	\$1	\$1	\$1	\$1	\$1
Social Insurance Tax#	\$6	\$6	\$8	\$8	\$9
Business Taxes#	\$289	\$292	\$381	\$389	\$397
██████████	██	██	██	██	██
Personal Tax#	\$165	\$165	\$213	\$217	\$222
Gaming License	\$0	\$0	\$0	\$0	\$0
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$0	\$0	\$0	\$0	\$0
Sales Tax	\$964	\$1,002	\$1,566	\$1,614	\$1,662
Lodging/Bed Tax	\$0	\$0	\$0	\$0	\$0
Total State Taxes	\$33,978	\$35,062	\$38,407	\$39,509	\$40,466

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

*Gaming Tax includes 10% to surrounding counties

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#Estimate from Implan

Exhibit VIII.B.4

The following table summarizes the estimated combined tax payments made by the proposed development at both the county and state level.

Total Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
Net Gaming Tax	\$33,168	\$34,290	\$37,108	\$38,230	\$39,196
Dividends#	\$10	\$10	\$14	\$14	\$15
Social Insurance Tax#	\$78	\$79	\$103	\$106	\$108
Business Taxes#	\$3,707	\$3,817	\$5,887	\$6,036	\$6,188
██████████	████	████	████	████	████
Personal Tax#	\$949	\$956	\$1,249	\$1,279	\$1,304
Gaming License	\$35,000	\$0	\$0	\$0	\$0
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$1,928	\$2,004	\$3,131	\$3,228	\$3,325
Lodging/Bed Tax	\$269	\$279	\$563	\$584	\$610
Total State Taxes	\$81,626	\$47,987	\$54,864	\$56,330	\$57,639

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

**Gaming Tax includes GGR Tax and gaming machine fees

#Estimate from Implan

Low-Case Scenario

County Tax Revenue Summary (in thousands) Low-Case

Tax	2016	2017	2018	2019	2020
Net Gaming Tax	\$3,113	\$3,228	\$3,502	\$3,608	\$3,697
Dividends#	\$9	\$9	\$12	\$13	\$13
Social Insurance Tax#	\$70	\$70	\$93	\$95	\$97
Business Taxes#	\$3,297	\$3,401	\$5,256	\$5,414	\$5,564
██████████	████	████	████	████	████
Personal Tax#	\$765	\$770	\$1,009	\$1,034	\$1,057
Gaming License	\$35,000	\$4,658	\$6,924	\$7,124	\$7,313
Horseman Fee	\$0	\$0	\$0	\$0	\$0
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$932	\$969	\$1,496	\$1,550	\$1,598
Lodging/Bed Tax	\$264	\$273	\$530	\$557	\$584
Total State Taxes	\$47,250	\$17,183	\$22,772	\$23,360	\$23,903

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

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#Estimate from Implan

Exhibit VIII.B.4

State-Level Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
Net Gaming Tax*	\$28,021	\$29,051	\$31,516	\$32,468	\$33,273
Dividends#	\$0	\$0	\$0	\$0	\$0
Social Insurance Tax#	\$6	\$6	\$8	\$8	\$8
Business Taxes#	\$281	\$283	\$372	\$380	\$389
██████████	█	█	█	█	█
Personal Tax#	\$160	\$161	\$208	\$213	\$218
Gaming License	\$493	\$496	\$648	\$663	\$678
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$0	\$0	\$0	\$0	\$0
Sales Tax	\$932	\$969	\$1,496	\$1,550	\$1,598
Lodging/Bed Tax	\$0	\$0	\$0	\$0	\$0
Total State Taxes	\$32,593	\$33,699	\$37,087	\$38,153	\$39,061

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

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#Estimate from Implan

Total Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
Net Gaming Tax	\$31,134	\$32,278	\$35,017	\$36,076	\$36,970
Dividends#	\$9	\$9	\$12	\$13	\$13
Social Insurance Tax#	\$76	\$77	\$101	\$103	\$105
Business Taxes#	\$3,577	\$3,684	\$5,627	\$5,794	\$5,953
██████████	█	█	█	█	█
Personal Tax#	\$925	\$931	\$1,217	\$1,247	\$1,274
Gaming License	\$35,493	\$5,154	\$7,572	\$7,787	\$7,991
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$1,863	\$1,938	\$2,992	\$3,100	\$3,197
Lodging/Bed Tax	\$264	\$273	\$530	\$557	\$584
Total State Taxes	\$79,844	\$50,882	\$59,860	\$61,513	\$62,964

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

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#Estimate from Implan

Exhibit VIII.B.4

High-Case Scenario

County Tax Revenue Summary (in thousands) Low-Case

Tax	2016	2017	2018	2019	2020
Net Gaming Tax	\$3,576	\$3,704	\$3,993	\$4,113	\$4,214
Dividends#	\$10	\$10	\$13	\$14	\$14
Social Insurance Tax#	\$77	\$78	\$102	\$104	\$106
Business Taxes#	\$3,645	\$3,756	\$5,875	\$6,037	\$6,250
██████████	█	█	█	█	█
Personal Tax#	\$843	\$849	\$1,109	\$1,130	\$1,154
Gaming License	\$35,000	\$0	\$0	\$0	\$0
Horseman Fee	\$0	\$0	\$0	\$0	\$0
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$1,006	\$1,046	\$1,650	\$1,707	\$1,774
Lodging/Bed Tax	\$278	\$287	\$591	\$620	\$664
Total State Taxes	\$48,271	\$13,571	\$17,336	\$17,742	\$18,213

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

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#Estimate from Implan

State-Level Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
Net Gaming Tax*	\$32,188	\$33,340	\$35,940	\$37,018	\$37,928
Dividends#	\$0	\$0	\$0	\$0	\$0
Social Insurance Tax#	\$7	\$7	\$9	\$9	\$9
Business Taxes#	\$307	\$309	\$407	\$415	\$424
██████████	█	█	█	█	█
Personal Tax#	\$175	\$175	\$227	\$232	\$237
Gaming License	\$538	\$541	\$708	\$722	\$739
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$0	\$0	\$0	\$0	\$0
Sales Tax	\$1,006	\$1,046	\$1,650	\$1,707	\$1,774
Lodging/Bed Tax	\$0	\$0	\$0	\$0	\$0
Total State Taxes	\$36,926	\$38,157	\$41,785	\$42,979	\$44,015

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

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#Estimate from Implan

Exhibit VIII.B.4

Total Tax Revenue Summary (in thousands)

Tax	2016	2017	2018	2019	2020
Net Gaming Tax	\$35,765	\$37,044	\$39,934	\$41,131	\$42,142
Dividends#	\$10	\$10	\$13	\$14	\$14
Social Insurance Tax#	\$84	\$84	\$111	\$113	\$115
Business Taxes#	\$3,952	\$4,065	\$6,282	\$6,452	\$6,674
██████████	████	████	████	████	████
Personal Tax#	\$1,018	\$1,025	\$1,336	\$1,361	\$1,391
Gaming License	\$35,538	\$541	\$708	\$722	\$739
Horseman Fee	\$2,656	\$2,689	\$2,780	\$2,810	\$2,836
Property Tax	\$3,397	\$3,397	\$3,397	\$3,397	\$3,397
Sales Tax	\$2,012	\$2,093	\$3,299	\$3,414	\$3,549
Lodging/Bed Tax	\$278	\$287	\$591	\$620	\$664
Total State Taxes	\$85,197	\$51,728	\$59,121	\$60,721	\$62,228

Source: 2012 Minnesota IMPLAN Group, Inc; The Innovation Group

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#Estimate from Implan