

Regional incomes of new Chilean casinos estimated in USD 390 million

A powerful and millionaire impact on the regional treasury will be held due to the opening of the casino industry in Chile, a process that was completed last Friday with the granting of five new operating licenses, added to the ten licenses already granted on the current year.

The 15 societies that won the licenses will pay USD 44.8 million in taxes at the ending of the first year of operation, according to the numbers delivered by the Casino Superintendence (SCJ). This amount of money is just for the special tribute, without considering general taxes allocated to the state.

This figure is estimated due to the special 20% gross income gaming tax, half of which will be allocated to the council in which the casino will be located, and the other half to the corresponding regional government to be redistributed to the other councils of the region.

In both cases, the tax may also be invested in community work from 2008, because the societies will have a two-year legal deadline in order to open the casino and three years for the rest of the developments associated, such as hotels

All the regional councils will be benefited with the granting of operating permits, because the law states that societies will have to pay a special tax of 20% of all the gambling gross revenues. Half of it will be allocated to the council in which the casino will be located, and the other half will to the regional government to be redistributed to the rest of the regional councils.

From the fifth year on, the payment will be increased to USD 63.5 million, and the total payment of the fifteen companies will totalize USD 204 million, considering future cash flow presented by different companies when presenting their projects.

In ten years' time, the payment will increase to USD 368.2 million, allocated among the 9 regions in which the casino projects were granted. Regions VI, VIII and II are the ones that will receive more money from taxes regarding casino operation. Those three regions represent almost two-thirds of the total payment of taxes collected in five years since 2008.

Talking about the gross income, for the first 12 months of operation, USD 267,4 million will be generated. From the fifth year on, it is expected that the total income of the industry collects USD 389.6 million.

Without considering the seven casinos that currently operate in Chile and comply with a different regulation, the venue that will generate more revenues is IGGR in Mostazal, with USD 87.6 million in its fifth year, followed by casinos in Talcahuano (Valmar) and Antofagasta (Martínez Group).