

Memorandum



CITY OF DALLAS

DATE August 16, 2024

TO Honorable Members of the Government Performance and Financial Management Committee: Chad West (Chair), Paula Blackmon (Vice-Chair), Cara Mendelsohn, Jesse Moreno, and Jaime Resendez

SUBJECT **Follow-up to the August 6, 2024, Government Performance and Financial Management Committee Meeting**

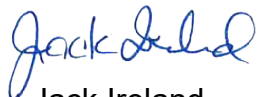
During the August 6 Government Performance and Financial Management (GPFM) committee meeting, the Chair requested additional information about sales tax revenue collected from private game clubs. Private game clubs are defined as private places that limit their membership and offer competitive gaming. While gambling is illegal in the State of Texas, private game clubs can operate with specific exceptions. The private game clubs that offer gambling will remit sales tax on food, drinks, branded merchandise, etc., but no sales tax will be remitted on the games themselves.

Sales tax revenue collected from private game clubs in the City of Dallas or trends associated with the collections cannot be shared with the public as the tax information is deemed confidential. However, sales tax from this type of industry is captured in the *All Others* category in our monthly Budget Accountability Report (BAR).

As a point of reference, FY 2022-23 sales tax receipts totaled \$425.5 million, and \$112.7 million or 26.5% of total collections were captured in *All Other*. Additionally, private game clubs that offer gambling comprise approximately 0.03% of total taxpayers reporting within the *All Others* industry and therefore, the impact of sales tax revenue collected from private game clubs that offer gambling is not material.

Please contact me or Janette Weedon, Director of Budget & Management Services if you have any questions.

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Jack Ireland
Chief Financial Officer

c: Kimberly Bizer Tolbert, City Manager (I)
Tammy Palomino, City Attorney
Mark Swann, City Auditor
Biliera Johnson, City Secretary
Preston Robinson, Administrative Judge
Dominique Artis, Chief of Public Safety (I)
Dev Rastogi, Assistant City Manager

M. Elizabeth (Liz) Cedillo-Pereira, Assistant City Manager
Alina Ciocan, Assistant City Manager
Donzell Gipson, Assistant City Manager (I)
Robin Bentley, Assistant City Manager (I)
Elizabeth Saab, Chief of Strategy, Engagement, and Alignment (I)
Directors and Assistant Directors