

A State-Sponsored Lottery IS a Tax

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Pro-gambling and pro-lottery forces are pushing Alabama once again to legalize gambling. What is different this time is that some conservative Republican legislators are “cozying up” to the idea and Governor Robert Bentley is now proposing a constitutional amendment that would allow the people of Alabama, without knowing the whole story, to vote on legalizing a state-sponsored lottery. In 2015 Republican Senate President Pro Tem, Del Marsh, announced he preferred legalizing lottery gambling to raising taxes.

What this Governor and these legislators need to realize is that lotteries have proven to be one of the biggest public policy failures of the last 40 years. The Arkansas News reported in 2015: “State lawmakers got a sobering picture ... of the Academic Challenge Scholarship’s future as proceeds from the Arkansas Scholarship Lottery, which funds the scholarship, dwindle in the face of declining ticket sales.”

A regressive tax

Legislators also should recognize that a lottery is a tax. In fact, it is the worst kind of tax for two reasons. First it is a regressive tax on the poorest citizens of our state. A careful analysis of data from states that currently have a lottery indicate that upper- and middle-income citizens do not play the lottery on a regular basis. Their purchases of lottery tickets would not provide the level of income to the state touted by the pro-gambling forces. The “real” money spent on lottery tickets comes from lower-income individuals and families who do not always understand that they are far more likely to lose than to win.

Deceiving citizens

That brings us to the second reason a lottery is the worst kind of tax. For a lottery to bring in the revenue needed by the state, the state actually has to deceive its own citizens in order to get them to purchase large numbers of lottery tickets. The state becomes a “con artist” and spends great sums of money on expensive, creative, attractive and often humorous advertising in order to trick its citizens into paying for a little piece of paper or a card with numbers on it, most of which are thrown into the trash can after one or two winners are announced.

The state, which is set up to protect its citizens from “enemies, both domestic and foreign,” actually becomes an enemy of its own citizens, deceiving them into throwing away their hard-earned money on mostly worthless lottery tickets.

Takes revenue from other sources

There is another fact that should be mentioned at this point: Money spent on lottery tickets cannot be used to pay for legitimate goods and services. Thus, the general tax base from sales taxes drops and the overall economy suffers. If gambling (whether through a lottery or through casino gambling) solved all the economic woes of a community or a state, then why are so many counties and states, where gambling is a central part of their economy, struggling?

Nationwide, two-thirds of the citizens never or rarely gamble. As a result, they are apathetic to the problems associated with gambling and will often argue, "Well, since I don't gamble, if someone wants to do so, who am I to stop them?" Those individuals need to understand that **"you pay even if you don't play."** All of the big predatory gambling states (Illinois, California, New Jersey, New York, etc.) are in a mess financially. Why? In a 2009 report by the Rockefeller Institute on Government it was concluded that predatory gambling exacerbates long-term budgetary problems for states.

We appeal to the Alabama Legislature to resist the temptation to fund the important and admirable work done by our state and local government employees and the services they provide (from teachers to clerks to judges to law-enforcement officers to first responders) with money deceptively taken from the pockets of unsuspecting citizens. Instead we call for a continued reduction in wasteful spending and, when necessary, a restructuring of the Alabama tax code that will result in taxes that are fair and understandable, rather than based on trickery. (al.com, TAB)

For more information on how predatory gambling is a failed government policy, and to support some of the claims made in this editorial, visit www.StopPredatoryGambling.org and www.ALCAP.com.

