

Sports Betting Thesis

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Research Question

- ▶ Does the density of casinos in a state impact its sports betting revenue?
- ▶ Question of elasticity - in-person and online bets are usually taxed differently
 - ▶ For example, New Jersey has a 13% tax rate on online betting, but a 8.5% tax on in-person betting at casinos

Major Literature

- ▶ “Legalized Sports Betting in the United States and Potential Impacts in Massachusetts” - SEIGMA
- ▶ “Legalized Sports Betting, VLT Gambling, and State Gambling Revenues: Evidence from West Virginia” - BR Humphreys
- ▶ “Taxation and the Demand for Gambling: New Evidence from the United Kingdom” - David Paton et al.

Data

- ▶ Motley Fool
 - ▶ Total tax revenue from sports betting by state
- ▶ Online Betting USA
 - ▶ Sports betting taxes for each state
- ▶ World Population Review
 - ▶ Casinos per capita for each state -NerdWallet
 - ▶ Income Taxes for each state
- ▶ “Sports Betting Consumer Study” - AGA
 - ▶ Examines sports betting behavior, demographics, links to problem gambling

Methodology

- ▶ Linear Regression Model
 - ▶ Tax revenue - dependent variable, casino per capita - independent variable
- ▶ Challenges How will I account for the different tax rates (both income and sports-betting specific) -Admittedly not sure how to do that

Expected Results

- ▶ Lower casino per capita will increase tax revenues
 - ▶ Less access to casino games (substitutes) lead to higher usage of mobile sports betting
 - ▶ States will capture more revenue from the increased tax
- ▶ Might be different between demographics
 - ▶ Lesser access to transportation, more online betting