

Did Anyone Mention That An NC Lottery Could INCREASE the Amount of \$\$\$ Leaving NC???

	Assumed Rates	Lottery Arithmetic Comparison		Increase
		Now	With NC Lottery	
Total Amount Spent by NC Gamblers		\$300,000,000 ¹	\$1,800,000,000	²
Administration Expenses	16%	\$48,000,000	\$288,000,000	
Amount leaving North Carolina Based on G-Tech rate of	1%	\$48,000,000	\$18,000,000	
Prizes to NC residents if payout	50%	\$150,000,000	\$900,000,000	
Federal Taxes Paid On Prizes	28%	\$42,000,000	\$252,000,000	
State Taxes Paid Other States	5%	\$7,500,000	\$0	
NC Income Taxes	7%	\$0	\$63,000,000	
NC Sales Tax Not Collected (Rate times amount wagered less prizes received and taxes.)	3%	\$5,985,000	\$36,450,000	
Gains to NC gambling winners: Prizes less net taxes ignoring losses		\$106,485,000	\$621,450,000	
Losses to NC gamblers - amount wagered		\$300,000,000	\$1,800,000,000	
Net loss to NC residents who gamble from gambling (losers only)		\$193,515,000	\$1,178,550,000	\$985,035,000
Loss to NC - Amount leaving state		\$199,500,000	\$270,000,000	\$70,500,000
Additional social costs . . . addiction, crime, etc.		Unknown	but Much greater	

Those who say we need a lottery because we're losing too much money to other states need to consider that they could actually increase the amount leaving North Carolina rather than decreasing it. There is no doubt an NC lottery would increase losses to our citizens by **\$985,035,000** , but it could also increase funds sent out of state by **\$70,500,000** . While an NC lottery will appear to put money into the hands of our elected officials, every indication is that the social costs created by the increase in gambling will more than offset the increased revenues.

Remember, every Sheriff in the state warned that it was impossible to set taxes on video poker high enough to pay for the social costs of the increase in gambling addiction caused by more widespread availability of the machines. State sponsored online gambling would be even more harmful.

(1) Estimated amount wagered per Jim Black

(2) Estimate from lottery proponents in year 2 and 3