

Sports Betting Tax Is Battleground Between The State & Chicago

Erika TulfoandMedill Illinois News Bureau
Chicago's steep new tax on sports betting is creating a backlash in Springfield that could lead to new restrictions on whether municipalities should have the power to tax gambling revenue.

The highly contested tax charges sports betting businesses 10.25% on their net gambling revenue. The tax, which took effect Jan. 1, is in addition to the state's existing levy on sports gambling, which includes per-bet fees. The combination gives Illinois one of the most severe betting tax structures in the country.

As Illinois begins Problem Gambling Awareness Month, state representatives from both sides of the aisle say the tax will drive bettors to illegal markets, hurting revenues for Illinois. And some Chicago officials worry it could become a point of tension between the city and state legislators, hindering future collaboration on financial issues.

"When we passed our sports betting law, it was never the intent of the legislature that there would be a patchwork of different rules and different tax rates in every municipality throughout the state," Rep. Daniel Didech, D-Buffalo Grove, told Capitol News Illinois. "Now that Chicago has opened that door, I think we're going to try to close it."

Didech, who serves as chairman of the Illinois House Gaming Committee and played poker professionally for over five years, filed House Bill 4171 in October with a long list of Democratic and Republican cosponsors. It passed committee in February, taking it one step closer to a vote.

The bill would negate Chicago's tax and would be effective immediately if passed and signed into law. Didech said it was intended to maintain uniform, statewide regulations on sports gambling by preventing local governments from imposing their own taxes.

The Sports Wagering Act was passed in 2019, and the state raked in \$429 million in tax revenues related to sports gambling in fiscal year 2025, according to the Commission on Government Forecasting and Accountability.

Currently, Illinois ranks fifth in the U.S. and first in the Midwest in taxes collected on sports wagering, according to the Illinois Policy Institute.

When sports betting became legal in the state, sportsbooks paid only a flat 15% tax on the revenue they earned. Now the tax rate is

as high as 40% depending on a sportsbook's revenue, while the state also enacted a 25- to 50-cent per-wager fee last year.

But the most recent data from the Illinois Gaming Board shows that the total number of bets placed fell by 15% from September to October last year after the per-wager tax was introduced.

Chicago identified the sports betting tax as a stream of "progressive revenue" in its 2026 Budget Overview, claiming it would help balance the budget without cutting essential services or raising costs for working families. The tax was passed on June 1, 2025, and city officials projected the measure would generate \$26.2 million.

But the new city tax amplified growing tensions between Chicago and the Sports Betting Alliance, which represents major sportsbooks including DraftKings, FanDuel and BetMGM.

The Alliance filed a lawsuit in December challenging the tax. The coalition argued that the Sports Wagering Act did not allow the city to impose its own sports betting taxes on top of the state's existing taxes.

"The State - not the City - has sole authority to license and tax online sports wagering in the State of Illinois," the lawsuit argued. "The Illinois Constitution reserves authority over licensing for revenue and income-based taxation to the State unless expressly delegated. The Illinois General Assembly has never authorized the City to impose licensing fees or income-based taxes on online sports wagering."

The city declined to comment, citing pending litigation.

A hearing is scheduled later this month. "Ultimately, we just have to continue to press the case," Alliance president Joe Maloney said.

Chicago and Springfield at odds
In the meantime, state lawmakers are taking aim at Chicago's tax - and trying to prevent other municipalities from setting their own local sports betting taxes.

Sen. Patrick Joyce, D-Essex, filed Senate Bill 2760 in January, which seeks to penalize Chicago by taking the total amount the city gained from its sports wagering fee and deducting it from Chicago's share of the Local Government Distributive Fund, one of the largest sources of state funding for cities and counties. That amount would then be redistributed to other municipalities following the fund's allocation formula.

Joyce said in an interview that he, along with other members of the General Assembly, was open to sitting down with Chicago officials to discuss the bill.

He also filed Senate Bill 2800, a bill identical to Didech's House version that denies home rule units the authority to regulate or tax sports wagering.

The tax remains a divisive topic in Chicago, too.

Chicago Ald. Gilbert Villegas, who opposed the new tax, said he was concerned it would cause a rift between the city and state lawmakers.

"I just think it was the wrong approach," he said. "To do this with Springfield signaling that there was going to be huge opposition and a potential bill sends the wrong message from a city that is going to need to be down in Springfield making requests for different items."

What does the tax mean for bettors?

Sportsbook operators have already been feeling the squeeze after the implementation of the state's per-wager tax in September, which required them to pay 25 cents on each of the first 20 million bets placed, and 50 cents for each bet over that amount.

Some betting operators, like FanDuel, have shifted the cost to customers by forcing them to pay a \$0.50 per-bet fee. Other sportsbooks like BetRivers have responded to Illinois' tax pressures by raising the minimum stake. The number of total bets placed in Illinois fell to 28.5 million in the fall from 33.6 million the year before.

Both the Sports Betting Alliance and state lawmakers worried that the city's tax would drive Chicago bettors away from licensed sportsbooks and into illegal, unregulated markets.

But some avid sportsbook users, like Chicago-based social media content creator Sam Cantalupo, are continuing to stomach the cost.

Cantalupo is known for his sports betting analysis videos, which have garnered over 100,000 likes on his TikTok channel "djsammycaps." While he has signed petitions opposing the city's sports betting tax, he said that, at the end of the day, he is still willing to pay a higher price if an even heftier tax were imposed.

"If they raised it, honestly, I would probably have to suck it up and pay it," he said.

Illinois In-State Tuition Swells New Bill Seeks System Changes

By Glenn Minnis | The Center Square
Republican State Rep. Martin McLaughlin deems legislation crafted to address Illinois' rising in-state tuition costs as a needed adjustment in fine-tuning a system where homegrown students now incur the ninth most expensive in-state tuition costs across the country and second highest in the Midwest.

Introduced by state Rep. Jeff Keicher, House Bill 5037 calls for a study of the entire system, followed by a 10-year plan to make it more competitive and affordable.

"I think the overall theme here is Illinois is not competitive for our own students, which is why far too many go to University of Kentucky, Indiana State, Iowa State, because they are a better financial deal than our state university systems just on a dollar-to-dollar comparison," McLaughlin told The Center Square. "When we pay incredibly high taxes in Illinois, it should cover the cost of the university system. Our kids and families are being asked to contribute 20 to 40% more than other out-of-state universities."

As in-state tuition costs at all the state's public universities have risen by about \$6,000 a year from 2009 to 2025, overall enrollment at those institutions has dipped by roughly 13,000 as at least nine of them have lost population.

Illinois Policy Institute Senior

Fellow and former state Rep. Mark Batnick is among those fearing HB 5037 won't be enough to prompt the kind of change he feels is warranted.

"They are approaching this in the wrong way," he told The Center Square. "The formula that they're coming with doubles down on stupid. It rewards failure and punishes success, gives schools more money for losing students on a per pupil basis, more money for having lower graduation rates. You end up giving a lot more money per pupil to the schools that are struggling and taking money away from the schools that are that are doing well."

With the bill now sitting in the House Rules Committee, both lawmakers agree something needs to change for the sake of the whole state.

"You can't have a ratio of young professionals starting families, growing families, adding population growing businesses if those kids leave and they do that in other states, surrounding states," said McLaughlin. "It has an incredible economic impact on Illinois."

Adds Batnick, "unless we fix this we are going to continue to have a brain drain and our youngest and brightest are going to continue leaving the state, and studies show that a high percentage of people who go to school out of state stay out of state after they graduate."



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LEGAL NOTICES

PUBLIC NOTICE

The Toluca Park District budget and appropriations hearing will be held on Monday, March 23rd at 7:00 p.m. at the Toluca City Hall in Toluca, Illinois

PUBLIC NOTICE

ANNUAL TOWN MEETING

Notice is hereby given to the legal voters, residents of the Town of Lacon in the County of Marshall and the State of Illinois, that the Annual Town Meeting of said Town will take place on: Tuesday, April 14, 2026 being the second Tuesday of said month at the hour of 7:15 PM at 1112 South Washington St., Lacon IL at the Lacon Township Building for the transaction of the miscellaneous business of the said town; and after a Moderator having been elected, will proceed to hear and consider reports of officers, and decide on such measures as may, in pursuance of law, come before the meeting; especially to consider and decide the following:

Set time and date of the 2027 Annual Town Meeting and any business that may come before the board.

Dated March 17, 2026
Alyssa Lambrecht,
Township Clerk

HELP WANTED

CITY OF CHILlicothe

The City of Chillicothe Public Works Department
Will be accepting applications from qualified candidates to fill one full-time union laborer position.

City of Chillicothe Public Works department will be accepting applications for the time period of March 16 through April 3, 2026

REQUIREMENTS

- High School Diploma or Equivalent
- Valid CDL (class B endorsement)
- Backhoe Experience
- Subject to Pre-employment testing
- Obtain vegetation/pest control certifications
- Required to be on after hours call out rotation
- 30 minutes or less response time for after-hours call outs
- Safely work with different types of heavy machinery
- Work with the public in a respectful manner
- Communicate well with supervisors/staff member and fellow employees
- Hourly Wage - \$23.70
- Benefits
 - a. Health Insurance (Medical, Dental and Vision)
 - b. 457b Pension Plan
 - c. Paid time off
 - d. Uniform allowance

Application may be obtained at City Hall or at
www.cityofchillicotheil.org

Applications may be submitted via email:
ssutherland@cityofchillicotheil.org, mailed or dropped off at
City Hall, 908 N. Second Street, Chillicothe, IL 61523

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Key Responsibilities

- Process daily banking transactions such as deposits, withdrawals, check cashing, and loan payments accurately and efficiently.
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- Balance cash drawers, ATM's, and vaults while maintaining security and reporting discrepancies.
- Follow all bank policies, procedures, and regulatory requirements, including fraud prevention and anti-money laundering standards.
- Support banking center operations and collaborate with team members to enhance customer satisfaction and operational efficiency.

Qualifications and Requirements:

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- Apply online at <https://www.midnatbank.com/careers>
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