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Gambling Tax Upheld by Illinois Supreme Court.

A recent decision by the Illinois Supreme Court will allow Cook County to collect about $3 million in unpaid taxes from Des Plaines' Rivers Casino.

The decision also will allow the county to continue to collect another $1 million in yearly tax revenue from Midwest Gaming, the casino's owner and operator. A separate recent state appellate court decision also upheld the county's legal right to tax gambling machines.

The Supreme Court decision effectively ends a three-year legal battle over a gambling tax approved by the Cook County Board of Commissioners in late 2012. The high court denied Midwest Gaming's petition to appeal an earlier ruling by an appellate court.

The county lost in circuit court and won in appellate court. The appellate court's decision was upheld when the state's high court declined to hear the case.

As a result of the decision, the county's Department of Revenue anticipates receiving an about $3 million one-time payment for outstanding taxes from 2013, 2014 and 2015.

"We are pleased with the Supreme Court's decision confirming our long-held belief that the county's tax on video gaming machines is legitimate and lawful," said Cook County Board President Toni Preckwinkle in a news release. "The revenue generated from the gambling tax will help provide important funding for critical public safety services to county residents."

Rivers Casino spokesman Dennis Culloton offered a different opinion.

"We respectfully disagree with the court's ruling, and we are considering our options," he said in an emailed statement.

When asked about the issue, Des Plaines City Manager Michael Bartholomew said the city was aware of the lawsuit but that it had little bearing on the municipality. He said the tax revenue the city receives from Rivers Casino is remitted by the state, not the county.

State Rep. Marty Moylan, D-Des Plaines, said in an emailed statement that he opposed the 1 percent sales tax increase passed by the Cook County board last year and would "continue to oppose any tax increase that hurts our local economy and middle-class families," but did not specifically mention the county's gambling machine tax.

After approval of the tax, Midwest Gaming filed suit against Cook County in circuit court. An agreement reached during the hearing process stipulated that the county would not enforce the tax or issue non-compliance citations while the case was still being fought. Midwest Gaming also agreed to pay any unsettled taxes after a final decision by the court.

Tax decals for gambling machines found in casinos in Cook County cost $1,000, while those for video poker machines in bars and restaurants cost $200 per the county ordinance. Based on the number of gambling machines at Rivers Casino, the county expects to receive $1 million in annual tax revenue.

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