

COLORADO

KEY STATE INFORMATION

NUMBER OF COMMERCIAL CASINOS

33

CASINO FORMAT

Land-Based Casinos

NOTABLE FORMS OF GAMING

Sports Betting

REGULATORY AUTHORITY

Colorado Division of
Gaming; Colorado
Limited Gaming
Control Commission

GROSS CASINO GAMING REVENUE 2024

\$1.59B

CASINO TAX REVENUE 2024

\$207.8M

In 2024, Colorado's commercial casinos and affiliated sports betting platforms reported record annual revenue of \$1.59 billion, driven by an increase in revenue from mobile sports wagering.

Market Overview

Colorado offers commercial casino gaming at 33 facilities in three historic towns—Black Hawk, Central City and Cripple Creek—which were approved for gaming by voters in a 1990 statewide referendum. Each of the casinos is eligible to operate electronic gaming devices, table games and sports betting. Casinos are permitted to offer both retail and online sports betting as a result of a state law approved by voters in 2019. At the end of 2024, 13 online commercial sports platforms were available, down from 20 at the start of the year.

Commercial casino gaming and sports betting are regulated by the Colorado Division of Gaming, which is supported by the Colorado Limited Gaming Control Commission—a five-member regulatory oversight body appointed by the governor.

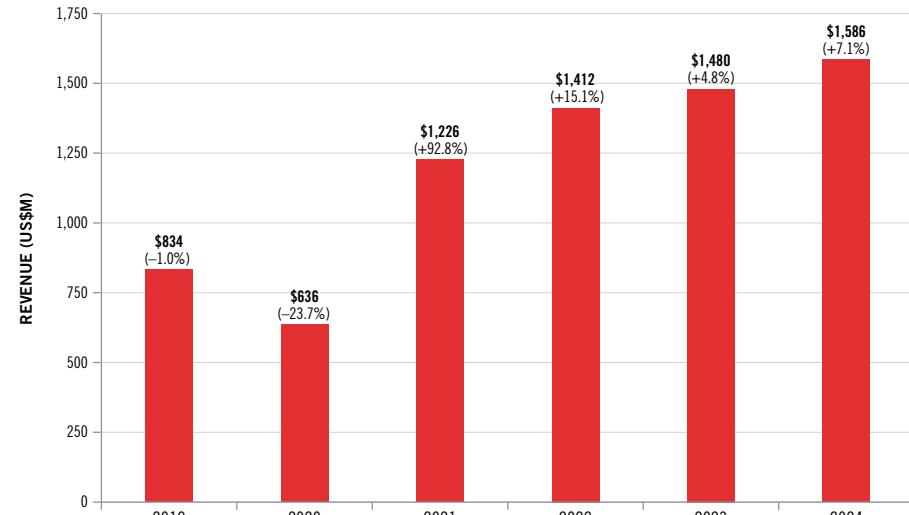
Market Performance

In 2024, total statewide commercial casino gaming revenue reached \$1.59 billion, up 7.1 percent from the prior year.

The record total primarily reflected ongoing growth of Colorado's sports betting market. Annual revenue from sports wagering reached \$475.2 million in 2024, up 21.2 percent. All but \$1.2 million of that total came from mobile sports betting.

Meanwhile, revenue from traditional casino games at facilities in Black Hawk, Cripple Creek and Central City was \$1.11 billion, up 2.1 percent versus the previous year. Total statewide revenue from electronic gaming devices was

COLORADO: COMMERCIAL CASINO GAMING REVENUE (US\$M) 2019 to 2024



SOURCE: Colorado Department of Revenue

Colorado

\$944.9 million, up 1.8 percent on 2023, while revenue from table games was \$165.7 million, up 1.3 percent.

Gaming Tax Distribution

COLORADO GAMING TAX

Casino Gaming Revenue	Tax Rate Applied
\$0–\$2M	0.25%
\$2M–\$5M	2%
\$5M–\$8M	9%
\$8M–\$10M	11%
\$10M–\$13M	16%
\$13M+	20%

Colorado applies a graduated tax to electronic gaming device and table game revenue, ranging from 0.25 percent on revenue up to \$2 million, to 20 percent on gaming revenue of more than \$13 million.

Sports betting revenue is taxed at a headline rate of 10 percent, applied after limited deductions of free bets and other bonuses and promotions. Sportsbook operations are further subject to a 0.25 percent federal excise tax applied to wagering handle. Federal excise payments are deductible from revenue subject to the state's sports betting tax.

In 2024, Colorado commercial casinos and their affiliated online sports betting platforms generated approximately \$207.8 million in gaming tax revenue, up 3.8 percent compared to the prior year.

All gaming tax revenues from electronic gaming devices and table games, including license and application fees, are placed in the Colorado Limited Gaming Fund. After deducting around \$17.5 million to cover state costs associated with gaming oversight and regulation of casinos, the remaining money is distributed according to the following formula:

- 50 percent to the “state share,” which funds grant programs that benefit higher education, tourism and select industries in Colorado
- 28 percent to a fund dedicated to historic preservation and restoration
- 12 percent to the two counties that host commercial casinos
- 10 percent to the three historic cities that host commercial casinos

Tax revenue generated by sports betting, meanwhile, is placed in the state's established Sports Betting Fund. In 2024, this amounted to approximately \$31.9 million.

In accordance with a 2024 state law effective Jan. 1, 2025, the first \$29 million in tax revenue derived from sports betting is used to fund responsible gaming initiatives, cover the state's oversight costs and compensate tax beneficiaries from other forms of gaming that may be negatively affected by sports wagering. Any amounts above \$29 million are directed to a special fund to support water preservation efforts in Colorado.

Competitive Landscape

The competitive environment for Colorado's land-based commercial casinos is likely to remain stable in the near term, following two successful statewide voter referendums in 2019 and 2020 that authorized sports betting and removed a maximum bet limit that previously applied to table games. Colorado's commercial casinos also face limited competition from two tribal casinos operated on Indian lands in the southern part of the state.

Consistent with other states, Colorado has seen a reduction in the number of licensed operators in its online sports betting market over recent years. A total of seven mobile sportsbook platforms ceased business in Colorado in 2024, leaving just 13 operational compared to 20 at the start of the year and 25 at the beginning of 2022.

Policy & Regulatory Review

Taxation

In November, Colorado voters approved a referendum to amend the distribution of tax revenue from sports betting as determined by state law.

Under Colorado's original sports wagering law of 2019, any tax proceeds over \$29 million in a fiscal year were due to be returned to the state's licensed sports betting operators.

In May, Gov. Jared Polis (D) signed a bill increasing taxes on sports betting, with the first \$29 million used to fund state oversight costs and responsible gaming initiatives, and any amounts above that threshold distributed to a state fund to support water conservation and protection projects.

Lawmakers approved the new legislation just as Colorado's sports betting industry was projected to surpass the \$29 million mark in cumulative fiscal-year tax revenue for the first time. The statutory change also had to be endorsed by voters via a statewide referendum and more than 76 percent of Coloradans ultimately voted to approve Proposition JJ during November's general election.

Colorado

Sports Betting

In April, the Colorado Limited Gaming Control Commission approved new regulations to govern exchange betting offered by licensed sportsbook operators in the state.

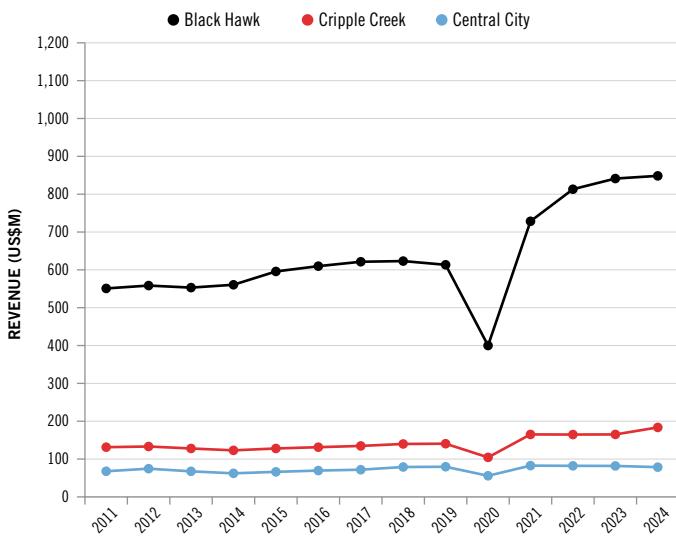
Unlike a traditional sportsbook offering bets at fixed odds determined by the operator, betting exchanges allow players to either back or lay specific outcomes in sporting events, with the operator facilitating the markets and taking a commission based on winning wagers.

While betting exchanges are also operational in other states, including New Jersey, Colorado became the first state to adopt specific regulations to govern exchange wagering. Among other things, the rules approved by the Colorado regulator addressed the taxation of operators' commissions and disclosure requirements for certain types of exchange bets.

COLORADO: COMMERCIAL GAMING REVENUE (US\$M)

2011 to 2024

Colorado's commercial casino gaming market has experienced significant growth in recent years thanks to a 2019 statewide referendum that authorized sports betting and a second referendum in 2021 that allowed for higher bet limits and additional table games at land-based casinos in the towns of Black Hawk, Central City and Cripple Creek.



SOURCE: Colorado Department of Revenue