

**The Innovation Group**  
**2<sup>nd</sup> Report: Economic Impacts of iGaming**  
**Summary**

February 2025

The Fiscal Note for iGaming legislation (HB 17 / SB 340) relies on the Maryland Lottery Commission's November 2023 "*iGaming in Maryland*" report, which was prepared by The Innovation Group.

The Innovation Group conducted a second study of iGaming impacts in February 2025<sup>1</sup> and stated that the data are clear:

**iGaming cannibalizes bricks and mortar casinos,  
local jobs, non-gaming taxes, and increases social costs!**

According to The Innovation Group's second report, "brick-and-mortar casino revenue underperforms by 16.5% following iGaming introduction (15.8% netting out macroeconomic factors)" meaning:

**Brick & mortar casino cannibalization is approximately 16%  
NOT the 10% relied upon in the Fiscal Notes for HB 17 / SB 340!**

The Innovation Group also expressed that "this 16% figure will grow over time."

The Innovation Group has determined that:

**Maryland should only expect \$19.4 million in net tax benefits from iGaming  
– NOT hundreds of millions!**

However, the tradeoff is that Maryland would see:

**1,290 to 1,611 Maryland Jobs Lost**

**\$98-121 Million in annual Maryland Labor Income Lost**

**\$455-564 Million in annual Maryland Economic Output Lost**

**\$333-412 Million annual Maryland GDP Lost**

**\$113.4 Million in annual Maryland Direct Problem Gambling Costs**

**\$758.8 Million in annual Maryland Indirect Problem Gambling Costs**

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<sup>1</sup> The Innovation Group study examined several states under a 20% iGaming tax rate. Higher tax rates, as proposed under HB 17 & SB 340, shrink iGaming markets and tax revenues – overstating results and any net gain for the State of Maryland.