

Dramatic Drop in Indiana Sports Betting Volume

Will The Hoosier State Regain This Lost Revenue?

One of the earlier adopters of expanded sports betting, Indiana, has seen [it's lowest betting volume in nearly a year](#), bringing in under \$200 million dollars in it's slowest month of 2021. With \$194 million in wagers recorded, Indiana sportsbooks are hoping this isn't the beginning of a downtrend.

Maintaining a high betting handle is essential for the state's tax revenue, as Indiana has lower tax rates than any other state that has legalized sports gambling. With a 9.5 percent tax rate on gaming revenue, Indiana brought in a measly [\\$1.6 million in taxes in July](#). This comes mainly from the primary sports gambling method used by Indiananas: Online sports betting.

Online Sports Betting

In the same slow month, mobile sportsbook giant DraftKings made nearly five times that, pulling in a revenue of over \$5 million for July alone. DraftKings is the current leader in Indiana's online sports gambling space, trailed closely by FanDuel, and BetMGM. Maintaining an online handle of close to \$64 million, DraftKings sits firmly ahead of FanDuel at \$54 million, and BetMGM at \$25 million.

These high revenues and the low taxes paid were a point of debate during the legalization of sports betting in the state of Indiana. [passed in September of 2019](#), the bill went through reviews and revisions before the final version was settled upon. Indiana State Governor Eric Holcomb decided to celebrate the bill's passing in a unique manner.

The Bill is Passed

Governor Eric Holcomb signed the bill into law on May 19th of that year, and marked the occasion by placing several bets. The Governor wagered on the Colts and Pacers to win their championships, and another bet went to the Indiana Fever, a WNBA team, to win their match that night.

The tax rate for sports gambling in Indiana, set at 9.5%, is vastly different from other states where sports wagering has been legitimized. For example, in [New York's proposed sports](#)

[wagering bill](#), a whopping 50% percent will go to the state taxes. While this may be too far in the other direction, one must wonder whether Indiana is getting shafted on the bottom line.

A Tough Month

That's what makes down months like July so difficult for the state's coffers. The last month's handle is estimated to be a 21% decrease from June, a difference of \$51.8 million in total.

Some have noted that July [tends to be a slower month for sports gambling in general](#), as do other summer months. The availability of outdoor activities and socialization tends to draw revenue away from sports betting activities, and handles tend to increase as the winter months.

It certainly hasn't been an unprofitable year for sports betting in Indiana, with a \$4 Billion lifetime handle recorded since 2019. \$3 Billion of that handle has come over just the last 12 months, with \$334.6 million in gross gaming revenue overall. Those numbers have generated a sizable chunk of state taxes, estimated to be nearly \$31.8 million.

Delta Variant

Much of this year's revenue has surged from the lightening of pandemic lockdown restrictions, allowing Indiana sports bettors access to brick-and-mortar gambling establishments. This inflow of money serves to establish Indiana's sports betting industry, but recent infection rates have some casinos worried.

With the United States currently experiencing [a fresh surge in cases due to the growing prevalence of the Delta Variant](#), Indiana is not immune to this new wave. Rates of community transmission have been rising, with substantial or high rates recorded in 70 out of 92 Indian counties. As people move indoors as the colder months approach, these rates could get even worse.

DraftKings Takes Market Share

Though this surge could account for the downturn in revenue, Indiana's online sports betting may see a boom. DraftKings, which launched on October 3rd, 2019, following legalization, does operate some physical locations within the state, including at [the Ameristar Casino Hotel](#) in Council Bluffs. But the majority of their current revenue stream in Indiana comes from their online sportsbook activities.

The company reported high revenue for its total operations in early 2021, with Q4 alone of 2020 netting \$322 million. The company also set guidance to bring in nearly \$1 billion this year, [later raising this guidance to \\$1.15 Billion](#). The company currently dominates the online sportsbook space, and it does so by maintaining a strong grip on states like Indiana.

Will Revenues Return?

All and all, it looks like this is a small blip in the profitable history of Indiana sports betting. While the fear of coronavirus and the warm summer calling people away from gambling centers may have harmed this month's profits, historical trends show this will most likely be temporary.

As the country eventually passes the current pandemic crisis and sports betting expands in the Hoosier state, the future looks bright for Indiana's sports betting industry.