



Yet another record year for gaming revenues

Introduction: The Pennsylvania Gaming Control Board issued a [statement](#) lauding calendar 2025 as a record year for the commonwealth's gaming industry for the fifth-consecutive year. The 17 casinos dotting the state collected \$6.78 billion dollars, besting 2024 by over \$650 million or nearly 11 percent.

The release further states that the tax revenues generated by the casinos, and the games being played, generated \$2.87 billion. This tops the \$2.55 billion in tax revenues generated in 2024 by 12.4 percent.

Casinos offer five forms of gaming (retail slots, retail tables, iGaming, sports wagering and fantasy sports contests) while video gaming terminals (VGTs) are found at 75 truck stops across the commonwealth. Previous [Policy Briefs](#) have outlined each type of gaming and the differing tax rates they pay.

Of the six gaming options offered across Pennsylvania, iGaming surpassed retail slots as the highest revenue generator. In 2025, this form of gaming earned \$2.78 billion or nearly 41 percent of total gaming revenue. Retail slots (slot machines found at casinos) earned \$2.43 billion or 35.8 percent of the total. The rest of the options, retail table games (13.6 percent); sports wagering (8.9 percent); VGTs (0.6 percent) and fantasy sports (0.3 percent) earned the remaining \$1.59 billion.

Internet gaming

iGaming, or internet gaming, is comprised of three separate gaming options played online: slots, tables (games played against the casino such as blackjack, craps and roulette) and poker (games played against other players with the casino getting a fee). While frequently bundled together for reporting purposes, they have separate revenue streams and tax rates.

Internet gaming began in 2019 but really took off post-COVID in 2021 when total iGaming revenue topped \$1.11 billion. That total quickly doubled to \$2.22 billion in 2024 before hitting the new high of \$2.78 billion in 2025.

Of the three types of internet gaming, slots are the most popular, accounting for more than three-quarters of the revenue generated in 2025 (\$2.11 billion) and has grown the fastest. Between

2021 and 2025, it grew by 178 percent. Internet table games grew by 98 percent while internet poker play declined by 11 percent over the same period.

Retail slots and tables

Retail slots have slowly dropped behind internet gaming as the dominant revenue generator. In 2023, retail slots reached \$2.46 billion, the second-highest amount since 2012's record of \$2.47 billion. Since then, the revenue generated has dipped by just 1.3 percent to \$2.43 billion in 2025.

However, given the strong growth to internet slots, it may not be long before retail slots are supplanted as Pennsylvania's largest revenue producer in the gaming portfolio.

Retail table games reached a high of \$990.6 million in 2022 but since have steadily fallen 6.6 percent to 2025's tally of \$925.4 million. Contrasted with the 61 percent growth to the revenue of online table games during that same period (\$394 million to \$636 million), perhaps the retail table games are losing customers to the online option.

Video gaming terminals

As mentioned above, VGTs are a small portion of the overall gaming revenues generated at less than one percent. However, they are distinctive as they are not part of a casino but placed at qualified truck stops (among the requirements are that the truck stop averages sales of at least 50,000 gallons of diesel per month; have at least 20 commercial vehicle parking spaces; have a convenience store and be situated on a parcel of at least 3 acres). They are akin to slot machines. At the close of 2025, there were 75 such truck stops each with the maximum number of VGTs (5) for a total of 375 individual machines. In 2025, VGTs garnered \$41.48 million in revenue, which was slightly lower than 2024's \$41.53 million

The peak revenue for this form of gaming was \$42.1 million in 2022. From 2022 through 2025, the percentage change for VGT revenue was a decline of 1.4 percent, basically flat.

VGTs, taxed at a rate of 52 percent, are being used as a model to tax and regulate the newest form of gaming in the state—skill games.

Skill games

Skill games have proliferated across the state since they were declared legal by the Pennsylvania Commonwealth Court in November 2023. As was outlined in a [Brief](#) from early 2025, the number of skill games in operation is a guess at best. The American Gaming Association, in early 2025, estimated 67,000 were in use. They are neither regulated nor taxed. Naturally, the governor wants to change that.

In his February 2026 budget address for fiscal 2027, he made regulating and taxing skill games a centerpiece of his [proposal](#). That proposal is a 52 percent tax rate on all skill games with a limit of 40,000 machines across the state. The expectation is that this tax rate and number of machines would garner \$765.9 million annually for the state.

This is certainly plausible. To realize \$765.9 million with a 52 percent tax rate, the implication is total revenues of \$1.47 billion. With 40,000 machines in operation, it would imply an average of about \$3,063 in total revenue per month per machine. In 2025, the average monthly number of

retail slot machines was 24,323 and they earned an average monthly total revenue of \$8,333. With just 375 VGTs per month, they averaged over \$9,200 in total revenue.

The difference is that customers go to casinos specifically to gamble. Truckers have time to kill while waiting for trucks to be serviced or taking a much-needed break. Skill games, placed in bars, restaurants, veterans' clubs, fire halls and social clubs, are found in places where people go hang out, not necessarily to gamble.

Plus, as noted earlier, newer forms of gaming will have an impact on current forms of gaming. Internet gaming has slowed down the revenue growth of retail games at casinos. It is very likely that skill games have also impacted retail slots similarly. With no one certain how many skill games are out there, or how much revenue they currently generate, it's impossible to predict their impact—either on established casinos or gaming revenues and, by extension, tax revenues.

Conclusion

It is clear that a large number of Pennsylvanians are serious gamblers. It is also obvious that the state government has become very dependent on levies from gaming. The appetite for more from both sides is being realized through skill games.

There is no arguing they need to be regulated, if for nothing else to make sure each machine offers a fair chance to its player. The debate over the tax rate has gone on for over a year as of this writing. The governor, backed by the casino industry, is pushing for a 52 percent rate. A similar proposal has been in the senate for a 16 percent rate—similar to that of table games. It remains to be seen what, if any, compromise will be reached.

If Pennsylvania's economy were stronger, with more industries growing and adding jobs, attracting residents and corresponding tax revenue, this reliance on the gaming industry would not be such a necessity.

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