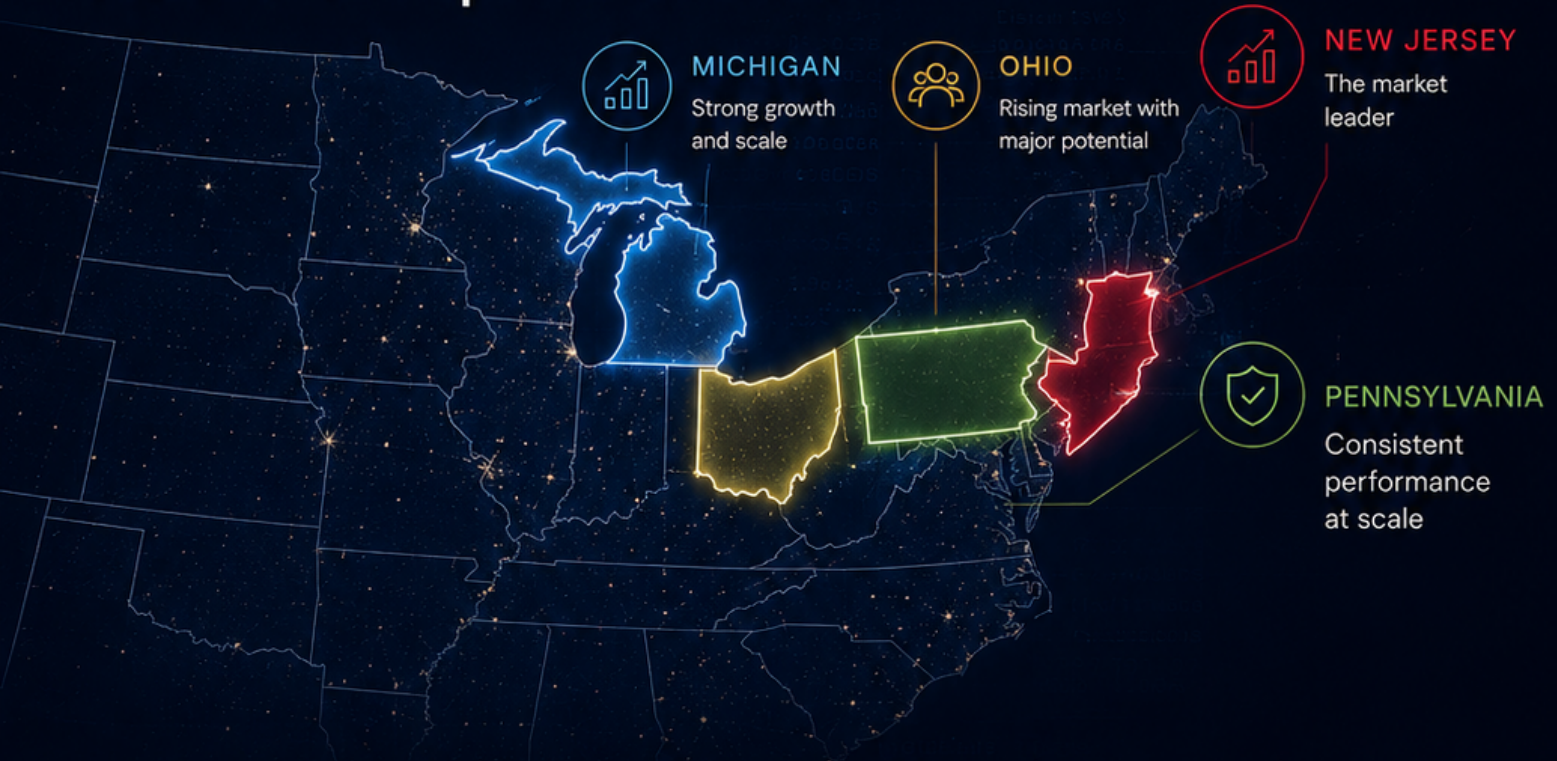




New Jersey vs Pennsylvania vs Michigan vs Ohio:

how America's four largest online gambling states compare in 2026



MARKET SIZE
Revenue and growth in 2026



PLAYER ACTIVITY
Active players and engagement



TAX REVENUE
State tax contributions



OPERATOR LANDSCAPE
Leading operators and competition



REGULATION
Licensing, rules and compliance



OUTLOOK
Key trends and future opportunities

GAMINGCOMPLIANCE

COMPLIANT MARKETS. SUSTAINABLE GROWTH.

US Big 4 at a glance

America's four largest online gambling states run four different rulebooks. For an operator deciding which US state to enter first, the markets split cleanly on two axes: vertical scope and tax burden. New Jersey, Pennsylvania and Michigan all authorise online casino, online poker and online sports wagering; Ohio authorises sports wagering only. Michigan is the most operator-friendly online-casino jurisdiction at 20–28% graduated AGR. New Jersey moved to a flat 19.75% on iGaming and online sports in July 2025. Pennsylvania remains the highest-tax US iGaming market at 54% on online slots. Ohio sits at 20% on sports GGR with no online casino pathway.

NEW JERSEY · NJ DGE · PERMIT

Largest market, freshly unified tax

~\$3.5B combined operator GGR in 2024 (USD 2.41B internet gaming + USD 1.09B online sports per NJ DGE). July 2025 reform collapsed three tax rates into a single 19.75% on internet gross revenue. Nine Atlantic City casino partners host the entire market.

PENNSYLVANIA · PGCB · CERTIFICATE

Highest US slot tax, scale despite it

54% on online simulated slots is the highest gambling tax in America. Interactive Gaming Certificate runs \$4M per vertical category. Online casino revenue surpassed land-based slots in FY 2024–25 at USD 2.715B.

MICHIGAN · MGCB · OPERATOR LICENCE

Operator-friendly low-cost entry

\$50,000 application + \$50,000 annual, graduated 20–28% on adjusted gross receipts, 8.4% sports. Lowest 5-year all-in cost of the four. Tribal compact or Detroit casino partner required. USD 2.43B 2024 online casino GGR.

OHIO · OCCB · TYPE A MOBILE

Sports betting only, tax doubled at launch

House Bill 33 doubled the sports-betting tax from 10% to 20% on 1 July 2023, less than seven months after Ohio went live. Type A mobile licence \$3.3M per 5-year term. No online casino, no online poker. 18 operators live mid-2026.

Eight discriminating dimensions

Dimension	New Jersey	Pennsylvania	Michigan	Ohio
Regulator	NJ DGE (Division of Gaming Enforcement)	PGCB (Pennsylvania Gaming Control Board)	MGCB (Michigan Gaming Control Board)	OCCC (Ohio Casino Control Commission)
Founding statute	P.L. 2013 c.27 · N.J.S.A. 5:12-95.16 et seq.	Act 42 of 2017 · 4 Pa.C.S. Ch. 13B/13C	PA 152 of 2019 (LIGA) · MCL 432.301	HB 29 of 2021 · ORC Chapter 3775
Market launch	21 November 2013	15 July 2019	22 January 2021	1 January 2023
Verticals legal	Casino, poker, sports	Casino, poker, sports	Casino, poker, sports	Sports only
Headline state tax	19.75% (unified Jul 2025)	54% slot / 16% table / 36% sports	20-28% AGR · 8.4% sports	20% sports GGR
Application fee	USD 400,000	USD 100,000 + USD 4M per vertical	USD 50,000	Bundled into Type A fee
5-year all-in operator cost	~USD 1.65M	~USD 5.1M (one vertical) / ~USD 14.25M (three)	~USD 0.40M	USD 3.3M (Type A per term)
2024 online GGR	~USD 3,500M (incl. online sports)	USD 2,715M (interactive)	USD 2,430M (online casino)	USD 932M (sports)

VERDICT · WHICH TO PICK IF...

Match the operator profile to the state

- **Tier-1 casino group with an Atlantic City partner already in place → New Jersey.** Largest single-state online market (~USD 3.5B in 2024), flat 19.75% rate post-July 2025, lowest application fee of the iCasino trio.
- **Margin-sensitive online casino operator looking for favourable tax → Michigan.** Graduated 20-28% AGR tax with promotional-credit deductions, USD 50,000 annual renewal, USD 2.43B 2024 GGR, lowest effective 5-year entry cost.
- **Sports-betting-only operator seeking fastest US scale → Ohio.** Only state of the four with no land-based partner requirement, direct Type A licence from OCCC, 20% GGR tax, up to two skins per licensee.
- **Multi-state operator already running NJ → add Pennsylvania.** PA's 54% online slot tax is punishing but the market exceeded USD 2.7B GGR in 2024. Combining NJ's flat rate with PA's scale gives Northeast coverage.

Table of contents

- 01 **Executive summary** The decision in 90 seconds

- 02 **At a glance** Four state architectures in a single table

- 03 **Four state models** Permit, certificate, licence, Type A

- 04 **Licence fees** What it costs to enter each market

- 05 **Tax architecture** Where the operator margin actually goes

- 06 **AML and KYC** Federal BSA plus four state overlays

- 07 **Player protection** Self-exclusion, limit-setting, advertising rules

- 08 **Decision frame** Which state first, for which operator

- 09 **2025–2026 updates** Recent regulatory changes that matter

- 10 **Frequently asked questions** Twelve operator-entry Q&A pairs

- 11 **Authorities and resources** 14 cited primary sources · continue reading

2013 → 2023
MARKET LIVE SINCE
NJ Nov 2013 · PA Jul 2019
· MI Jan 2021 · OH Jan 2023

~\$9.6B
US BIG 4 ONLINE GGR 2024
NJ ~\$3.5B + PA ~\$2.7B +
MI ~\$2.9B + OH ~\$0.93B
(OH sports only)

8.4 → 54%
HEADLINE STATE TAX RANGE
MI sports 8.4% — NJ
unified 19.75% — OH
sports 20% — PA slot
54%

4 shapes
5-YEAR ENTRY COST
MI ~\$0.4M · NJ ~\$1.65M ·
OH \$3.3M · PA
\$5.1M–\$14.25M

The decision in 90 seconds

The four state regimes diverge on five operator–decision axes: partner–licensee architecture, tax stack, entry cost, vertical mix, and rate of regulatory change. Headline takeaways below; the long–form analysis follows in sections 2 through 9.

For an operator deciding which US state to enter first, the four big regulated markets split cleanly on two axes: vertical scope and tax burden. New Jersey, Pennsylvania and Michigan all authorise online casino, online poker and online sports wagering; Ohio authorises sports wagering only. On tax, Michigan is the most operator–friendly online–casino jurisdiction at 20–28% graduated AGR with promo–credit deductions, New Jersey moved to a flat 19.75% on iGaming and online sports in July 2025, and Pennsylvania remains the highest–tax US iGaming market at 54% on online slots and 36% on sports GGR. Ohio sits at 20% on sports GGR with no online casino pathway.

Entry cost is dominated by Ohio (USD 3.3 million up–front Type A licence for sports), followed by Pennsylvania (USD 4 million per interactive vertical plus USD 10 million sports certificate), then New Jersey (USD 400,000 application) and Michigan (USD 100,000 initial). NJ, PA and MI all require a land–based partner; Ohio does not. Michigan led 2024 online casino GGR among the three iCasino markets at USD 2.43 billion behind New Jersey at approximately USD 3.5 billion all–online (USD 2.41B internet gaming plus USD 1.09B online sports), with Pennsylvania at USD 2.715 billion.

The headline question, “which US state first?”, almost always reduces to one of three operator profiles: an established US casino group with a New Jersey or Pennsylvania partner already in place, an international group entering the US for the first time, or a sports–only operator. The decision frame in section 8 maps each profile to a recommendation.

NEW JERSEY · TAX REFORM

1 July 2025 tax–rate unification. The FY2026 Appropriations Act (P.L. 2025 c.69) set a single 19.75% rate on online casino, online poker and online sports wagering gross revenue effective 1 July 2025. Previous rates were 15% iGaming (plus 2.5% CRDA, effective ~17.5%) and 13% online sports (plus 1.25% CRDA). CRDA obligations remain on top of the new headline rate; promotional–credit deductions for iGaming remain disallowed.

PENNSYLVANIA · TAX ARCHITECTURE

54% online slot tax is the highest US rate. 4 Pa.C.S. 13B52 imposes 54% on interactive simulated–slot GGR (52% state plus 2% local share), 16% on interactive non–peer–to–peer table games, and 16% on interactive peer–to–peer poker. Sports wagering taxed at 36% of GGR (34% state plus 2% local share), retail and online identically. Despite the rate, PA interactive gaming GGR exceeded USD 2.7B in 2024.

MICHIGAN · ENTRY ECONOMICS

Lowest–cost entry of the four states. USD 50,000 application + USD 100,000 initial Internet Gaming Operator licence + USD 50,000 annual renewal under the Lawful Internet Gaming Act sec 432.305. A Michigan online–casino operator pays approximately USD 0.40M across five years in licensing fees versus ~USD 1.65M in New Jersey, ~USD 5.1M in Pennsylvania (one vertical), or ~USD 14.25M (all three PA verticals).

OHIO · TAX HISTORY

1 July 2023 tax doubling. ORC 5753.02(C) raised the sports-gaming tax from 10% to 20% under HB 33 of 2023, less than seven months after market launch. The governor's FY2026-27 executive budget proposal (HB 96, February 2025) sought to double the rate again to 40%; this was NOT enacted, and the final FY2026-27 budget retained 20%.

The four state architectures in a single table

The headline contrasts that drive every downstream decision. Each state takes a different view of how a remote-gambling licence relates to its existing land-based casino regime, and the cost stack reflects that view.

Line	New Jersey	Pennsylvania	Michigan	Ohio
Regulator	NJ DGE (Division of Gaming Enforcement)	PGCB (Pennsylvania Gaming Control Board)	MGCB (Michigan Gaming Control Board)	OCCC (Ohio Casino Control Commission)
Statutory basis	P.L. 2013 c.27 (Internet Gaming Act), N.J.S.A. 5:12-95.16 et seq.; sports under P.L. 2018 c.33	Act 42 of 2017, 4 Pa.C.S. Chapter 13B (Interactive) and 13C (Sports)	Lawful Internet Gaming Act P.A. 152 of 2019, MCL 432.301; Sports Betting Act P.A. 149 of 2019	ORC Chapter 3775 (HB 29, 134th GA), tax in ORC Chapter 5753
Market launch date	21 November 2013	15 July 2019	22 January 2021	1 January 2023
Licensing model	Internet Gaming Permit tied to Atlantic City casino licensee; one skin per casino partner	Interactive Gaming Certificate limited to Category 1/2/3 land-based licensees, per vertical	Internet Gaming Operator licence tied to a Detroit commercial casino or Class III tribe; one platform per vertical	Type A mobile sports proprietor licence direct from OCCC; up to two skins per licensee
Licence term	5 years	5 years	5 years	5 years
Land-based partner required	Yes	Yes	Yes (commercial casino or tribe)	No
Operator count mid-2026	9	19	15	18
Top-market 2024 GGR (USD M)	~3,500 (USD 2,410M internet gaming + USD 1,090M online sports per NJ DGE Dec 2024)	2,715 (interactive gaming)	2,430 (online casino)	932 (sports)

Permit, certificate, licence, Type A

Each state took a different administrative pathway to legalising online gambling. New Jersey extended its 1976 Casino Control Act with a 2013 internet-gaming amendment that hard-coded a partnership with Atlantic City casino licensees. Pennsylvania built a new Chapter 13B inside the 2017 gaming-expansion statute. Michigan wrote a clean greenfield Internet Gaming Act in 2019 designed for both commercial Detroit casinos and the state's tribal compacts. Ohio chose sports betting only, with a tiered Type A / B / C operator structure under House Bill 29 of 2021.

NEW JERSEY · NJ DGE · INTERNET GAMING PERMIT

Oldest US online market, freshly unified tax architecture

The 2013 Internet Gaming Act codified at N.J.S.A. 5:12-95.16 et seq. did not create a new licensee category; it created a new permit that an existing Atlantic City casino licensee could hold. Every online platform offering casino, poker or sports betting in New Jersey is therefore commercially tied to one of the nine remaining Atlantic City licensees that act as the permit holder. A non-casino operator wanting to enter the market does so by signing a platform-services agreement with an AC casino licensee and operating as the casino's brand or as a co-branded skin.

The architecture is the oldest in the United States and accounts for New Jersey's market depth: in 2024 the state's combined online gambling operator GGR reached approximately USD 3.5 billion (internet gaming USD 2.41B plus online sports USD 1.09B per the NJ DGE December 2024 monthly report), the largest single-state US online gambling market. The widely-quoted NJ "USD 5.7B" or "USD 7B" figures refer to the TOTAL Atlantic City casino industry, which sums land-based slot and table revenue with the online and sports lines. The 1 July 2025 unification of three different tax rates (15% iGaming, 13% online sports, plus CRDA layers) into a single 19.75% rate on internet-gaming gross revenue under P.L. 2025, c.69 is the most significant tax change in the state's online-gambling history and the largest unified rate change in the cluster.

PENNSYLVANIA · PGCB · INTERACTIVE GAMING CERTIFICATE

Highest US slot tax; scale achieved despite the rate

Act 42 of 2017 (the Race Horse Development and Gaming Act expansion) sliced interactive gaming into three vertical categories: peer-to-peer poker, non-peer-to-peer table games, and non-peer-to-peer simulated slot machines. Each Interactive Gaming Certificate costs USD 4 million per vertical category, paid only by existing Category 1, 2 or 3 land-based slot licensees. The 2017 issuance window offered the three-vertical bundle for USD 10 million; subsequent certificates cost USD 4 million per vertical separately.

The structural feature that defines Pennsylvania is its 54% effective tax on online simulated-slot gross revenue, codified at 4 Pa.C.S. 13B52 (52% state plus 2% local share). That is the highest online-slot tax in the United States and one of the highest gambling taxes in the world. Online table games and poker are taxed at 16%, sports betting at 36% across retail and mobile identically. Despite the headline tax, Pennsylvania's online casino revenue exceeded its land-based slot revenue for the first time in fiscal year 2024-25, confirming the market has scaled past the rate-shock threshold.

Operator-friendly entry, AGR base with promo-credit deductions

The Lawful Internet Gaming Act 2019 (Public Act 152 of 2019) is the cleanest of the four state statutes: a greenfield Internet Gaming Operator Licence sized to host both the three commercial Detroit casinos (MGM Grand Detroit, MotorCity Casino, Hollywood Casino at Greektown) and the 12 federally recognised tribes operating under Class III compacts. Application fee USD 50,000, annual renewal USD 50,000. Online casino tax is a graduated 20% to 28% of adjusted gross receipts; sports betting 8.4%. Detroit operators pay an additional 1.25 percentage points to the city.

The licensing economics are the most operator-friendly of the four. A Michigan online-casino operator pays roughly USD 100,000 across five years in licensing fees, compared to USD 2.65 million in New Jersey, USD 4.25 million in Pennsylvania (one vertical) or USD 13.25 million in Pennsylvania (all three verticals). The trade-off is access: an applicant must contract with a tribal compact partner or one of the three Detroit casinos to obtain a Platform Provider arrangement, which is a commercial process rather than a regulatory one but limits the universe of viable partners.

Sports betting only; tax doubled less than seven months after launch

House Bill 29 of 2021 (effective 1 January 2023) is the most recent and most narrowly drawn of the four state regimes: sports betting only, no online casino, no online poker. Operator licences come in three classes: Type A mobile sports betting (USD 3.3 million per 5-year term, up to 25 in-market licences), Type B retail sports betting at a brick-and-mortar venue (USD 50,000 per 5-year term), and Type C lottery-terminal sports betting kiosks at Ohio Lottery agents.

The state's defining policy event is the doubling of the sports-betting tax from 10% to 20% effective 1 July 2023 under House Bill 33 of 2023, less than seven months after market launch. The Governor's office cited concerns about advertising volume and a desire to fund problem-gambling treatment. Ohio's 2024 total sports-betting handle exceeded USD 7.8 billion, generating approximately USD 932 million in operator-level sports-betting gross revenue per OCCC FY2024 reports, but Ohio remains structurally different from the other three Big-4 states because operators cannot cross-sell casino or poker on the same platform.

What it costs to enter each market

Application, grant, annual and 5-year all-in costs side by side. The headline differences are stark: a five-year operating-fee commitment ranges from USD 100,000 in Michigan to USD 14.25 million in Pennsylvania across the three online-gambling verticals.

Fee line	New Jersey	Pennsylvania	Michigan	Ohio
Application fee (paid at filing)	USD 400,000 (Internet Gaming Permit) per N.J.A.C. 13:69A-5.4	USD 100,000 (non-refundable, paid with application) per 4 Pa.C.S. 13B11	USD 50,000 (Internet Gaming Operator) per MGCB Schedule of Fees	Filed together with the Type A licence fee; no separate application charge per OCCC
Licence-grant fee (paid on issuance)	No separate grant fee. The USD 400,000 application fee covers issuance.	USD 4,000,000 per interactive vertical category (poker, table, slot); separate USD 10,000,000 Sports Wagering Certificate; plus USD 1,000,000 Interactive Gaming Operator licence per 4 Pa.C.S. 13B11 and 13C12	USD 100,000 Internet Gaming Operator licence (issued on approval)	USD 3,300,000 (Type A mobile licence for a 5-year term) per ORC 3775.04
Annual operating fee	USD 250,000 (paid each year) per N.J.S.A. 5:12-95.19	No annual fee. The USD 250,000 renewal fee is paid every 5 years.	USD 50,000 (paid each year) per MGCB	No annual fee. The Type A licence runs for a full 5-year term.
Renewal mechanics	Permit holder pays a USD 250,000 resubmission fee on each annual cycle (no separate 5-year renewal)	USD 250,000 every 5 years (operator licence renewal) per 4 Pa.C.S. 13B11	Annual at USD 50,000 (no separate multi-year renewal)	Full USD 3,300,000 paid again at the end of each 5-year term
5-year all-in operator-licence cost	~USD 1.65M (USD 400k application + 5 × USD 250k annual)	~USD 5.1M for one interactive vertical (USD 100k app + USD 4M certificate + USD 1M operator licence); ~USD 14.25M for all three interactive verticals	~ USD 0.40M (USD 50k app + USD 100k initial + 5 × USD 50k annual)	USD 3.3M (single Type A payment per 5-year term)

The Pennsylvania USD 4 million per-vertical Interactive Gaming Certificate is the entry barrier with the largest cash impact at application stage. Operators that want to offer slots, table games and poker on the same platform pay USD 12 million across the three vertical certificates plus the USD 1 million Interactive Gaming Operator licence (USD 13 million one-time), then renew the operator licence every five years at USD 250,000. The sports-wagering certificate is a separate USD 10 million one-time charge. The New Jersey Internet Gaming Permit at USD 400,000 application plus USD 250,000 annual is materially cheaper in cash terms but locks the

operator into a revenue-share with an Atlantic City casino licensee that typically takes 12-18 percent of online gross revenue. Michigan is the obvious low-cost entry point at USD 50,000 application plus USD 50,000 annual. Ohio's Type A mobile sports-betting licence at USD 3.3 million per five-year term is best read as a 5-year amortised cost: USD 660,000 per year of operating right.

Where the operator margin actually goes

The four states use materially different tax bases and rates. The headline contrasts are: NJ’s unified 19.75% rate across casino, poker and sports effective 1 July 2025; PA’s 54% online-slot rate (the highest US rate, and one of the highest worldwide); MI’s graduated 20–28% on adjusted gross receipts; and OH’s 20% sports-only rate.

Tax line	New Jersey	Pennsylvania	Michigan	Ohio
Tax base	GGR (Internet Gaming Gross Revenue / Internet Sports Wagering Gross Revenue); no promo-credit deduction	GGR	AGR (gross receipts less winnings less capped promo credits, MCL 432.303)	GGR (taxable sports gaming receipts, ORC 5753.01)
Online casino rate	19.75% effective 1 July 2025 (P.L. 2025 c.69); plus CRDA	54% on interactive slot GGR, 16% on interactive non-peer table games (4 Pa.C.S. 13B52)	Graduated 20% / 22% / 24% / 26% / 28% by AGR band (MCL 432.312); Detroit operators add 1.25% municipal	Not authorised
Online poker rate	19.75%	16% (peer-to-peer)	Graduated 20–28% on same AGR schedule	Not authorised
Sports betting rate	19.75% (online); 8.5% retail	36% of GGR (34% state + 2% local), 4 Pa.C.S. 13C62	8.4% of adjusted gross sports receipts; Detroit operators add 1.25%	20% of taxable sports gaming receipts (ORC 5753.02(C), HB 33)
RG / PG levy	USD 250,000 annual statutory allocation (N.J.S.A. 5:12–95.19)	USD 250,000 annual per certificate holder (4 Pa.C.S. 1509)	USD 2,000,000 annual (iGaming) + USD 500,000 (sports) to Compulsive Gaming Prevention Fund	2% of state sports gaming tax revenue to Problem Sports Gaming Fund (ORC 3775.10)

Pennsylvania’s 54% on online simulated slots is structurally identical to the 54% land-based slot rate; the legislature explicitly mirrored the existing slot regime to avoid inter-channel arbitrage. The economic effect is that a Pennsylvania online operator with a USD 100 GGR-per-active-day cohort retains approximately USD 46 of state-tax-pre-corporate margin, versus approximately USD 80 in Michigan’s lowest tier, approximately USD 80.25 in New Jersey under the unified 19.75%, and approximately USD 80 in Ohio for the sports-only line. The state-tax pre-corporate margin gap is large enough that a Michigan operator with the same yield profile delivers roughly 1.75× the state-tax-net contribution per active customer compared to a Pennsylvania operator on simulated slots. Operators with broad portfolios that include casino, poker and sports typically run lower

blended PA tax rates because the 16% table and poker rates partially offset the 54% slot rate. Use the [GamingCompliance.io Tax Calculator](#) to model your exact vertical mix.

Federal BSA plus four state overlays

All four states share the federal Bank Secrecy Act framework: CTR at USD 10,000 single-day aggregate, SAR at USD 5,000 for casinos under 31 CFR Chapter X. State-level rules add overlays on top of (not in place of) the federal floor.

All four states sit on the federal Bank Secrecy Act framework administered by FinCEN under 31 CFR Chapter X. CTRs trigger at USD 10,000 single-day aggregate and SARs at USD 5,000 for casinos in every state; none of the four has written its own numeric thresholds. KYC is mandatory at account registration (pre-first-wager) in all four under state overlay rules: N.J.A.C. 13:69O in NJ, 58 Pa. Code 812a in PA, MGCB R 432.633 in MI, OAC 3775-16-08 in OH. Divergence is procedural rather than numeric: NJ DGE runs joint exams with FinCEN, PA layers MFA and geolocation requirements explicitly into code, MI requires a filed AML program with overlay audit obligations, and OH applies the federal BSA program to sports-wagering operators only since online casino and poker are not authorised.

For an operator already running a US AML compliance programme tuned to FinCEN expectations, the state-level overlays are incremental rather than structural: each state requires a written AML compliance programme, designated compliance officer, independent testing, and ID verification before first wager. New Jersey, Pennsylvania and Michigan all require multi-factor authentication and geolocation-verification protocols mandated in their internal-controls rules; Ohio applies the same federal AML framework but does not have casino DNFBP overlay because the state does not licence online casinos. Use the [AML Threshold Checker](#) for a side-by-side cell-by-cell view across all four states.

Line	New Jersey	Pennsylvania	Michigan	Ohio
CTR threshold	USD 10,000 (federal 31 CFR 1021)	USD 10,000 (federal 31 CFR 1021)	USD 10,000 (federal 31 CFR Ch. X)	USD 10,000 (federal 31 CFR Ch. X)
SAR threshold	USD 5,000 (federal)	USD 5,000 (federal)	USD 5,000 (federal)	USD 5,000 (federal)
KYC trigger	At account registration (pre-first-wager) per N.J.A.C. 13:69O-1.2	At account registration per 58 Pa. Code Ch. 812a	At account registration per MGCB R 432.633	At account registration per OAC 3775-16-08
State overlay rules	N.J.A.C. 13:69D internal-controls; AML compliance officer; independent testing; joint FinCEN exams	58 Pa. Code 812a: MFA, geolocation, transaction monitoring explicitly in code	Written AML programme filed with MGCB; overlay audit obligations under R 432.633	OAC 3775-16: written AML programme; sports-wagering only (no casino DNFBP overlay)
W-2G threshold	USD 600	USD 600	USD 1,200	USD 600

Self-exclusion, limit-setting tools, advertising rules

Each state operates its own self-exclusion list (none are interoperable). All four require pre-commitment limit-setting tools at registration. The most distinctive rules vary materially.

New Jersey requires mandatory display of 1-800-GAMBLER on all advertising and platforms under N.J.A.C. 13:69O. Mandatory self-imposed deposit, spend and time limits at account creation. Advertising on college campuses and to under-21s is prohibited under 2023-2025 Responsible Gaming Task Force rules. The NJ DGE Self-Exclusion List is the single registry for iGaming and sports wagering, separate from the land-based casino self-exclusion list.

Pennsylvania requires pre-commitment limits at registration under 58 Pa. Code 809a.5: operators must offer deposit, loss, wager and time limits before first wager. Increases are subject to a 24-hour cooling-off period; decreases take effect immediately. The PGCB Interactive Gaming Self-Exclusion List is separate from the casino, VGT and fantasy contest lists. Advertising restrictions on professional and college sports content are tighter than in NJ.

Michigan requires participation in the MGCB Responsible Gaming Database under M.A.C. R 432.730a, with mandatory limit-setting tools and a player-spending dashboard. The state's tribal compacts each operate their own additional player-protection layers. Michigan's affordability messaging requirements were tightened in the 2024-2025 rule cycle to require operators to display year-to-date net loss figures on player dashboards.

Ohio operates the Voluntary Exclusion Program through the Ohio Casino Control Commission, integrated across sports betting and retail casino under Ohio R.C. 3772.18. The OCCC enforces a strict advertising regime: prohibitions on the words "free" and "risk-free" in sports-betting promotions (after FY2024 enforcement actions), mandatory display of the 1-800-589-9966 problem-gambling helpline, and a ban on promotional language that could appeal to under-21s.

Which state first, for which operator

There is no single correct answer to “which US state first”. The answer depends on what the operator already has, what verticals it offers, and what its parent group looks like. The decision frame below maps four common operator profiles to a recommended entry.

→ NJ

Tier-1 casino group with an Atlantic City partner already in place

Largest single-state online market at approximately USD 3.5B online GGR in 2024 (internet gaming + online sports per NJ DGE), flat 19.75% rate post-July 2025, lowest application fee of the iCasino trio at USD 400,000, and existing AC casino relationship satisfies the land-based partner rule with no extra structuring.

→ MI

Margin-sensitive online casino operator looking for the most favourable tax structure

Graduated 20-28% AGR tax with promotional-credit deductions, USD 50,000 annual renewal, and USD 2.43B 2024 online casino GGR. Lowest effective 5-year entry cost (~USD 0.4M) of the four states and AGR base materially softens effective rate versus NJ and PA GGR bases.

→ OH

Sports-betting-only operator seeking fastest US scale with no iCasino ambitions

Only state of the four with no land-based partner requirement, direct Type A licence from OCCG, 20% GGR tax (governor’s proposed doubling to 40% was rejected in FY26-27 budget), up to two skins per licensee, and 18 operators already live mid-2026.

→ NJ + PA

Multi-state operator already running NJ wanting incremental scale across the Northeast

PA’s 54% online slot tax is punishing but the market exceeded USD 2.7B GGR in 2024 and surpassed land-based slot revenue for the first time. Combining NJ’s 19.75% flat rate with PA’s scale gives Northeast coverage; both require a land-based partner, so structuring overhead is similar.

Recent regulatory changes that matter

The largest recent change is the New Jersey tax-rate unification at 19.75% effective 1 July 2025. The largest pending change is the Ohio Lottery Commission’s review of Type C sports-betting kiosks, which has been before the legislature since late 2025.

New Jersey

- FY2026 Appropriations Act (P.L. 2025, c.69) enacted July 2025 set a single tax rate of 19.75% on online casino, online poker and online sports wagering gross revenue effective 1 July 2025; previous rates were 15% iGaming and 13% online sports.
- NJ DGE continued enforcement actions against unlicensed sweepstakes operators in 2025–2026 with multiple cease-and-desist orders.
- Responsible Gaming Task Force final report (2024) drove updated advertising and affordability messaging rules under N.J.A.C. 13:690 amendments adopted 2025.

Pennsylvania

- FY2024–25 PGCB annual report (published October 2025) confirmed interactive gaming GGR exceeded USD 2.7 billion for calendar 2024, surpassing land-based slot revenue for the first time.
- PGCB adopted final-form rulemaking on interactive gaming responsible-play standards published in Pennsylvania Bulletin in 2025, codifying enhanced affordability messaging and limit-setting tools at 58 Pa. Code 809a.
- PGCB Bureau of Investigations and Enforcement continued skill-game (unregulated VGT) enforcement actions through 2025; no statutory legalization enacted.

Michigan

- MGCB 2024 annual report (published 2025) confirmed Michigan online casino GGR exceeded USD 2.4 billion in calendar 2024, a continuing record for any single-state US iGaming market.
- MGCB rule updates (2025) tightened responsible gaming advertising standards under R 432.638, including restrictions on use of ‘risk-free’ and ‘free bet’ terminology in online gaming and sports betting promotions.

Ohio

- Sports gaming tax rate increased from 10% to 20% of taxable sports gaming receipts effective 1 July 2023 under HB 33 (134th GA), ORC 5753.02(C); rate remained at 20% through 2025–2026.
- Governor’s FY2026–2027 executive budget proposal (HB 96, introduced February 2025) sought to double the sports gaming tax from 20% to 40%; this proposal was NOT enacted – the final FY2026–27 budget retained 20%.
- OCCC continued enforcement actions in 2025 against unauthorised offshore operators and prohibited-conduct violations; no statutory amendments to Chapter 3775 enacted in 2025–mid 2026.

Operator–entry questions, answered

Q. Is online casino legal in Ohio?

A. No. Ohio Revised Code Chapter 3775 authorises sports wagering only. Online casino and online poker are not legal in Ohio as of mid-2026. The Ohio Casino Control Commission regulates Type A mobile sports betting (up to two skins per licensee), Type B retail sports betting, and Type C lottery–kiosk betting. Any online casino offered to Ohio residents is operating outside state law and is subject to OCCC enforcement against unauthorised offshore operators.

Q. Which US state has the lowest online gambling tax among NJ, PA, MI and Ohio?

A. Michigan has the lowest effective online casino tax of the four. MCL 432.312 sets a graduated state rate from 20% on AGR under USD 4 million up to 28% above USD 12 million, and the AGR base allows winnings and capped promotional credits to be deducted. New Jersey moved to a flat 19.75% on online casino and online sports GGR effective 1 July 2025 (P.L. 2025 c.69) but uses a GGR base with no promo–credit deduction. Pennsylvania remains the highest at 54% on interactive slot GGR. Ohio is 20% on sports GGR only.

Q. New Jersey vs Pennsylvania online casino license cost: which is cheaper to enter?

A. New Jersey is materially cheaper. NJ’s Internet Gaming Permit application fee is USD 400,000 under N.J.A.C. 13:69A–5.4, with a USD 250,000 annual resubmission fee. Pennsylvania’s Interactive Gaming Certificate runs USD 4 million per vertical (peer–to–peer poker, non–peer table games, non–peer slots) under 4 Pa.C.S. 13B11, plus a USD 1 million Interactive Gaming Operator licence and a USD 100,000 application. A single–vertical PA interactive entry costs roughly USD 5.1 million over five years versus roughly USD 1.65 million in NJ.

Q. Does Michigan require a land–based casino partner for online gaming?

A. Yes. Under the Lawful Internet Gaming Act (P.A. 152 of 2019, MCL 432.301 et seq.), an Internet Gaming Operator licence must be tied to one of the three Detroit commercial casino licensees or a federally recognised Michigan tribe operating under a Class III compact. Each licensee may partner with one platform provider per vertical (one skin per vertical). This is the same partner–licensee structure NJ and PA use, but Ohio does not require a land–based partner for Type A mobile sports.

Q. What is the highest online casino tax rate in the United States?

A. Pennsylvania’s 54% tax on interactive simulated–slot GGR under 4 Pa.C.S. 13B52 is the highest in the US. Interactive non–peer–to–peer table games are taxed at 16% and interactive peer–to–peer poker at 16% under the same section. Of each rate, two percentage points are local share. Despite the rate, PA interactive gaming GGR exceeded USD 2.7 billion in calendar 2024 per the FY2024–25 PGCB annual report.

Q. What are the CTR and SAR thresholds for online casinos in NJ, PA, MI and Ohio?

A. All four states apply the federal Bank Secrecy Act figures: CTR at USD 10,000 single–day aggregate per 31 CFR 1021 and SAR at USD 5,000 for casinos. None of the four has written its own numeric thresholds. KYC is mandatory at account registration before any wager under state overlays: N.J.A.C. 13:690 in NJ, 58 Pa. Code 812a in PA, MGCB R 432.633 in MI, and OAC 3775–16–08 in Ohio.

Q. When did online sports betting launch in each of these states?

A. New Jersey's online ecosystem launched 21 November 2013 (online casino) with sports added after PASPA fell in 2018 under P.L. 2018 c.33. Pennsylvania interactive gaming launched 15 July 2019 under Act 42 of 2017. Michigan online casino and sports launched together on 22 January 2021 under P.A. 152 and 149 of 2019. Ohio sports betting went live on 1 January 2023 under HB 29 of the 134th General Assembly.

Q. Did Ohio raise its sports betting tax to 40% in 2025?

A. No. The governor's FY2026-27 executive budget proposal (HB 96, introduced February 2025) sought to double the sports gaming tax from 20% to 40%, but the enacted final budget retained 20% under ORC 5753.02(C). The 20% rate has applied since 1 July 2023, when HB 33 raised it from the original 10%. No statutory amendments to Chapter 3775 were enacted between January 2025 and mid-2026.

Q. What is New Jersey's new 19.75% online gambling tax?

A. The FY2026 Appropriations Act (P.L. 2025 c.69), enacted July 2025, set a single 19.75% rate on online casino, online poker and online sports wagering gross revenue effective 1 July 2025. The previous rates were 15% on iGaming plus a 2.5% CRDA investment alternative (effective ~17.5%) and 13% on online sports plus 1.25% CRDA. CRDA obligations remain on top of the new headline rate. Promotional-credit deductions for iGaming continue to be disallowed.

Q. How many online gambling operators are live in each state mid-2026?

A. Per the most recent regulator reports: New Jersey has 9 Internet Gaming Permit holders, Pennsylvania has 19 interactive gaming certificate holders and operators across casino and sports, Michigan has 15 Internet Gaming Operator licensees across Detroit commercial casinos and tribes, and Ohio has 18 Type A mobile sports gaming proprietors. Ohio leads on sports-only operator count; PA leads overall on interactive operator count.

Q. Which state's online casino market generated the most revenue in 2024?

A. New Jersey reported approximately USD 3.5 billion across all online verticals in 2024 (USD 2.41B internet gaming plus USD 1.09B online sports) per the NJ DGE December 2024 monthly Press of Atlantic City release. Note: NJ's widely-quoted USD 5.7B figure is the TOTAL state casino industry, which includes land-based slot and table revenue from the nine Atlantic City casino floors. Among iCasino-only markets, Pennsylvania reported USD 2.715 billion in interactive gaming GGR (PGCB FY2024-25 report) and Michigan reported USD 2.43 billion in online casino GGR (MGCB 2024 annual report). Michigan iGaming exceeded any single-state US online-casino-only total. Ohio sports GGR was USD 932 million.

Q. What self-exclusion programs do these states operate?

A. NJ runs the DGE Self-Exclusion List covering iGaming and sports at nj.gov/oag/ge/seif.html. PA runs the PGCB Interactive Gaming Self-Exclusion List under 58 Pa. Code 503a, separate from its casino, VGT and fantasy lists. Michigan has the statutory Disassociated Persons List for in-person casinos (MCL 432.225) plus the MGCB Responsible Gaming Database for internet gaming under R 432.638. Ohio runs the OCCV Voluntary Exclusion Program under OAC 3775-16-12, with mandatory list checks before any new account is opened.

Primary sources cited

Every material claim in this article is backed by a primary source on this list. Numbered footnotes correspond to the statute, regulator publication or annual report that grounds each numeric assertion in the corresponding section.

01 **NJ Internet Gaming Act, P.L. 2013, c.27**, codified at N.J.S.A. 5:12–95.16 et seq. — the founding statute.
njleg.state.nj.us/Bills/2012/PL13/27_.PDF

02 **NJ DGE Internet Gaming Tax Returns, December 2024** — reports internet gaming gross revenue (USD 2.41B) and internet sports wagering gross revenue (USD 1.09B) for calendar 2024.
nj.gov/oag/ge/docs/Financials/IGRTaxReturns/2024/December2024.pdf

03 **NJ FY2026 Appropriations Act, P.L. 2025, c.69** — July 2025 unified 19.75% tax on internet gaming and online sports gross revenue.
nj.gov/oag/ge/2025news/PR20250114.html

04 **N.J.A.C. 13:690** — NJ DGE internet gaming rules.
state.nj.us/casinos/about/regs/docs/13_690.pdf

05 **Pennsylvania Act 42 of 2017**, codified at 4 Pa.C.S. Part II, Chapter 13B (Interactive Gaming) and Chapter 13C (Sports Wagering) — the founding statute.
legis.state.pa.us

06 **4 Pa.C.S. 13B52** — PA interactive gaming tax rates: 54% interactive simulated slot GGR; 16% interactive table and peer-to-peer poker GGR.
legis.state.pa.us · 4 Pa.C.S. 13B52

07 **PGCB FY2024–25 Annual Report** — PA interactive gaming GGR for calendar 2024 (~USD 2.7B).
gamingcontrolboard.pa.gov/?p=annual-report

08 **58 Pa. Code Chapter 812a and 809a.5** — PGCB AML, KYC and responsible-play standards.
gamingcontrolboard.pa.gov/?p=292

09 **Michigan Lawful Internet Gaming Act, Public Act 152 of 2019** — the founding statute.
legislature.mi.gov/Laws/MCL?objectName=mcl-Act-152-of-2019

10 **MGCB 2024 Annual Report** — Michigan internet gaming GGR for calendar 2024 (~USD 2.43B online casino) and online sports gross revenue.
michigan.gov/mgcb/about/reports

11 **Ohio House Bill 29 of 2021**, codified at Ohio R.C. Chapter 3775 — the founding sports-betting statute.
codes.ohio.gov/ohio-revised-code/chapter-3775

12

Ohio House Bill 33 of 2023 — doubled the sports-betting tax from 10% to 20% effective 1 July 2023.
codes.ohio.gov/ohio-revised-code/section-5753.02

13

OCCC Annual Report FY2024 — Ohio sports-betting operator GGR for calendar 2024 (~USD 932M).
casinocontrol.ohio.gov/Sports-Gaming/Statistics

14

FinCEN BSA Casino FAQs and 31 CFR Chapter X — federal CTR (USD 10,000), SAR (USD 5,000) and Title 31 obligations applicable to all four states.
fincen.gov/sites/default/files/shared/CasinoFAQs.pdf

Continue reading on GamingCompliance.io

This downloadable PDF is a companion to the live, frequently-updated cornerstone comparison at gamingcompliance.io/new-jersey-vs-pennsylvania-vs-michigan-vs-ohio-online-gambling/. The web edition carries updated regulator figures, deeper standards datasets per state, and integrates with our compliance tooling.

- [AGCO vs AGLC: Ontario vs Alberta iGaming Frameworks](#)
- [LATAM Big 4: Brazil vs Colombia vs Peru vs Mexico](#)
- [UKGC vs MGA: Which Gambling Licence to Choose](#)
- [iGaming License Costs Across 19 Jurisdictions](#)
- [iGaming Tax Calculator \(10 jurisdictions\)](#)
- [AML Threshold Checker \(19 jurisdictions\)](#)

About this report. This 2026 edition was produced by GamingCompliance.io's editorial team using a five-agent research workflow: four state specialists (one each for NJ DGE, PGCB, MGCB and OCCC) compiled primary-source data on statutes, fees, tax architecture, AML rules and player-protection programmes; a fifth editorial synthesizer combined the four state datasets into the comparative analysis you have just read. Every numeric claim is tied to a state statute, regulator publication or annual report. The synthesizer output passed a dual-verifier accuracy gate before publication: every fee, tax rate, threshold and GGR figure was cross-checked against the source it cites. Edition: 1 June 2026.