

19th March 2012

Budget 2012

The Chancellor announced important changes to gambling taxation as part of Budget 2012, these included:

Machine Games Duty (MGD) rates

As previously announced, MGD will be legislated for in Finance Bill 2012 and introduced on 1 February 2013. The Chancellor has today announced that the standard rate of MGD will be 20 per cent, and the lower rate will be 5 per cent of net takings. The lower rate will apply to machines with maximum stakes of 10 pence and maximum cash prizes of £8.

The introduction of MGD will be revenue neutral for the exchequer. The policy costings document published alongside the Budget outlines how this has been calculated.

Remote gambling taxation

Following the Treasury's review of the taxation of remote gambling in autumn 2011, the Government has today announced that it will move to taxing remote gambling on a place of consumption basis. A consultation on design characteristics of the new regime will follow in due course.

It is proposed that the current 15% rate that applies to remote gambling will be maintained, and that the reform will be implemented on 1 December 2014. However, both the rates and the exact implementation date will be kept under review. The legislation will be passed in a future Finance Bill.

As announced in December 2011, the Government will also introduce double taxation relief for general betting duty, remote gaming duty and pool betting duty for accounting periods ending on or after 1 April 2012. The legislation will be passed in Finance Bill 2012.

Gaming duty bands and Amusement Machine Licence Duty (AMLD) rates

Gaming duty bands and AMLD rates will be revalorised in line with inflation.

Gaming duty bands will increase in line with RPI for accounting periods starting on or after 1 April 2012. All AMLD rates will increase in line with RPI from 4pm on 23 March 2012. The New Rates will be as follows:

Category A currently £6,110, NEW rate £6,295

Category B1 currently £3,055, NEW rate £3,150

Category B2 currently £2,405, NEW rate £2,480

Category B3 currently £2,405, NEW rate £2,480

Category B4 currently £2,185, NEW rate £2,250

Category C currently £ 905, NEW rate £ 935

Key links

The key Budget documents can be accessed at the following links:

The main Budget document: http://cdn.hm-treasury.gov.uk/budget2012_complete.pdf

An Overview of Tax Legislation and

Rates: <http://www.hmrc.gov.uk/budget2012/index.htm>

Policy costings document (for MGD and remote gambling): http://cdn.hm-treasury.gov.uk/budget2012_policy_costings.pdf

The 2012 Finance Bill will be published on 29 March