Double Tax Damaging To Economy Warn Bingo Chiefs

Senior Executives of the British bingo industry have this week submitted a joint letter to the Chancellor calling for a fair tax regime for the bingo industry, specifically for the removal of VAT on bingo products. The letter follows on from the submission made by The Bingo Association to the Treasury ahead of this year’s Budget.

The letter was signed by eight senior executives including Ian Burke and Neil Goulden, Chief Executives of Rank Group and Gala Coral Group respectively, and represents the views of an industry that generates more than £800 million a year in revenue.

Bingo remains one of the UK’s most popular leisure pursuits – last year there were 77.5 million visits to licensed bingo clubs. The industry employs 17,000 people and is widely recognised as a positive force within local communities. However, unlike other gambling products, bingo is subject to double taxation, paying Gross Profits Tax and VAT. The tax system is now the industry’s biggest difficulty because it represents a core structural problem, impeding development and limiting the industry’s ability to respond to changing circumstances.

In its Budget submission to the Treasury, The Bingo Association submitted new research which shows that removal of VAT is likely to stem the closure of bingo clubs and be of benefit to Treasury revenue through an increase in GPT and Corporation Tax.

Paul Talboys, Chief Executive of The Bingo Association, said: “Urgent reform of bingo taxation is required. Bingo is played and enjoyed by millions. It is one of the softest forms of gambling but is the most heavily taxed. Abolishing VAT would be good for the Government, good for the customer and good for the industry.”

The Bingo Association highlighted the following key points to the Treasury:

- 37 bingo clubs have closed in the past year.
- In 2005, the industry first identified 189 ‘at risk’ clubs: 81 of these have already closed.
- Bingo provides jobs for more than 17,000 people, and the social and community benefits of the game have been widely recognised.
• More than 8.5 million people played bingo last year and new statistics show an uplift of more than 15% in younger players. Nearly half of all players are under the age of 45.
• Maintaining the current VAT system will result in a drop in revenue for the Treasury as clubs continue to close.
• Reforming the tax regime would prevent further club closures, thereby securing other Government revenues from gambling taxes, Corporation Tax and employment taxes.
• A level playing field for bingo would enable the industry to compete more fairly and effectively, modernising and marketing the game, ultimately increasing Government revenues.

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Notes to editors

• The bingo industry has been campaigning for five years for the Government to recognise that Bingo is Different. Last year 290,000 bingo players signed a petition which was presented to the then Prime Minister, Tony Blair, making the case for the game.
• The letter to the Chancellor has been signed by:
  Neil Goulden, Chief Executive, Gala Coral Group;
  Ian Burke, Chief Executive, Rank Group;
  Graham Kerr, Managing Director, Top Ten;
  Jeff Harris, Chief Executive, Castle Leisure;
  Andrew Cunningham, Chief Executive, Buckingham Bingo;
  Simon Hannah, Chief Executive, Riva Gaming;
  Brian King, Operations Director, Carlton Bingo;
  Mike Lowe, Operations Directors, Premier Bingo;
  Sir Peter Fry, Chairman, The Bingo Association;
  Paul Talboys, Chief Executive, The Bingo Association.

The letter to the Chancellor is attached.