EXPLANATORY MEMORANDUM TO THE

GAMING DUTY (AMENDMENT) REGULATIONS 2005

2005 No. 1727

1. This explanatory memorandum has been prepared by HM Revenue and Customs and is laid before the House of Commons by Command of Her Majesty.

This memorandum does not contain information for the Joint Committee on Statutory Instruments.

2. Description

2.1 This instrument revalorises the gross gaming yield bandings for the quarterly payments on account in line with the revalorised bandings for the six-monthly accounting periods as provided by section 6 of the Finance Act 2005 (c7).

3. Matters of special interest to the Select Committee on Statutory Instruments

3.1 None.

4. Legislative Background

4.1 The gross gaming yield bandings for the six-monthly accounting periods have been revalorised in line with inflation each year since 1998 to maintain the real value of those bands for UK casinos.

4.2 This instrument amends regulation 5 of the Gaming Duty Regulations 1997 (S.I. 1997/2196). It substitutes a new Table reflecting changes to gaming duty made by section 6 of the Finance Act 2005 and applies in the case of payments on account of gaming duty for any quarter that ends on or after 31st October 2005.

4.3 The duty rates and bands shown in the Table are those for the first three months of each six-monthly accounting period and represent half of the new bands of gross gaming yield shown in the Finance Act 2005.

4.4 The interim quarterly payments under the Gaming Duty Regulations 1997 are intended to be roughly half of the expected duty liability for the six-monthly period.

5. Extent

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

6.1 It is the view of the Financial Secretary to the Treasury that the provisions of this instrument are compatible with the Convention rights.

7. Policy background

7.1 Gaming Duty was introduced by the Finance Act 1997. The duty is charged on a casino's gross gaming yield for a six-month period with interim payments on account being made after the first three months. It is an incremental duty with rates rising from 2.5 per cent to 40 per cent across five bands of a casino's gross gaming yield.

7.2 The revalorised bandings for the quarterly payments on account are in line with inflation for the year that ended on 31st December 2004. If the gross gaming yield bands are not revalorised in line with inflation their value will be eroded and the UK's casinos will pay the highest rate of duty on a greater part of their gross gaming yield.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument, as this is an annual revalorisation of the gaming duty rates and has no impact on business, charities or voluntary bodies.

9. Contact

Dawn Temple; telephone 0161 827 0330 or e-mail dawn.temple@hmrc.gsi.gov.uk can answer any queries regarding the instrument.