EXPLANATORY MEMORANDUM TO

THE GAMING DUTY (AMENDMENT) REGULATIONS 2006

2006 No. 1999

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.

2. Description

2.1 These Regulations amend regulation 5 of the Gaming Duty Regulations 1997 (S.I 1997/2196) by bringing payments on account into line with new duty bands introduced in the Finance Act 2006.

3. Matters of special interest to the [Joint Committee on Statutory Instruments *or* the Select Committee on Statutory Instruments]

3.1 None

4. Legislative Background

4.1 Section 11 of the Finance Act 1997 describes how gaming duty should be calculated over a six-month period. Gaming duty for this six-month period is to be calculated by applying the rates specified in the Table in Section 11(2) of the Finance Act 1997 to the gross gaming yield.

4.2. Regulation 5 of the Gaming Duty Regulations 1997 provides for payment of gaming duty to be paid quarterly. The quarterly payments are calculated by applying the rates contained in the Table in Regulation 5 to the gross gaming yield for that quarter.

5. Extent

5.1 This instrument applies to all of the United Kingdom

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 Gaming Duty was introduced in 1997 to replace Gaming Licence Duty. Gaming Duty is payable by casinos on their gross gaming yield over a six-month period. The casinos make an interim payment after the first three months of the six-month period and then a balancing payment at the end of that period.

7.2. Gaming duty and the bandings were increased in the 1998 Budget. To counter industry concerns that they needed a stable environment in which to plan, the Government then gave an undertaking that the duty bands would be indexed in line with inflation for the remainder of the Parliament.

7.3 To fulfil this promise the gaming duty bandings were accordingly updated in the Finance Act 2006. Section 10 Finance Act substituted a revised Table in section 11(2) of the Finance Act 1997, specifying revised rates of gaming duty applicable to gross gaming yield

7.4 Each time the duty bandings for the six monthly accounting periods are amended, the duty bandings for the three monthly payments on account need to be amended. The Table showing the parts of gross gaming yield and rates of duty to be used in calculating the payment on account are contained in S.I. 1997/2196, regulation 5, as amended by S.I. 2005/1727.

7.5 As a result of the changes to section 11(2) of the FA 1997 we need to make consequential amendments to SI 1997 No 2196 regulation 5.

8. Impact

8.1 A Regulatory Impact Assessment has not been prepared for this instrument, as it has no impact on business, charities or voluntary bodies.

8.2 There is no impact on the public sector.

9. Contact

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