EXPLANATORY MEMORANDUM TO

THE GAMING DUTY (AMENDMENT) REGULATIONS 2011

2011 No. 1794

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

2. Purpose of the instrument

2.1 The instrument makes changes to the bands of gross gaming yield subject to gaming duty rates of 15, 20, 30, 40 and 50 per cent, for payments on account of gaming duty.

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

3.1 None

4. Legislative Context

4.1 These changes reflect the uprating in line with inflation of the bands of gross gaming yield made by section 17 of the Finance Act 2011 (c. 11).

5. Territorial Extent and Application

5.1 This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

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

7. Policy background

- ***What is being done and why***

7.1 The bands of gross gaming yield that are used to calculate casinos' gaming duty liability were increased in line with inflation by section 17 of the Finance Act 2011, which substituted a revised Table in section 11(2) of the Finance Act 1997 (c. 16).

7.2 Each time the bands for the six monthly accounting periods are increased it has been practice to increase the bands for the three monthly payments on account in the Gaming Duty Regulations 1997 (S.I. 1997/2196).

7.3 This ensures that those interim payments continue to be roughly half of the amount of gaming duty due in an accounting period. The bands for three month payments on account were last amended by the Gaming Duty (Amendment) Regulations 2010 (S.I. 2010/1677).

- ***Consolidation***

7.4 Amendments are made every year to the bands for three month payments on account, to reflect the changes made to the bands for gaming duty due in an accounting period. The amended table is easy to understand and consolidation is therefore not required.

8. Consultation outcome

8.1 These regulations are being made as a consequence of a routine, inflation-linked revalorisation that was made by section 17 of the Finance Act 2011. Those revalorisations are part of a long-established practice and are an accepted, and expected, feature of gaming duty. Accordingly, there was no consultation in respect of these Regulations.

9. Guidance

9.1 Guidance on gaming duty and how to pay it is available in Notice 453 Gaming Duty on the HMRC website www.hmrc.gov.uk . The revised version will be available in September 2011.

10. Impact

10.1 The impact on business, charities or voluntary bodies is negligible.

10.2 The impact on the public sector is negligible.

10.3 In line with government commitments, a Tax Information and Impact Note has not been prepared for this instrument as it gives effect to previously announced policy and relates to routine changes to thresholds.

11. Regulating small business

11.1 The legislation applies to small business.

11.2 To minimise the impact of the requirements on firms employing up to 20 people, the approach taken is a general tax provision and the same for all firms.

11.3 So far as we are aware there are no small businesses trading in this sector at present.

12. Monitoring & review

12.1 HMRC will continue to monitor all aspects of the gaming duty legislation.

13. Contact

Brian O'Kane at Her Majesty's Revenue & Customs Tel: 0161 827 0325 or email: brian.okane@hmrc.gsi.gov.uk can answer any queries regarding the instrument.