EXPLANATORY MEMORANDUM TO

THE GAMING DUTY (AMENDMENT) REGULATIONS 2016

2016 No. 943

1. Introduction

1.1 This explanatory memorandum has been prepared by Her Majesty's Revenue and Customs (HMRC) 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 Parliament

Matters of special interest to the Select Committee on Statutory Instruments

3.1 None.

Other matters of interest to the House of Commons

3.2 As this instrument is subject to the negative procedure and has not been prayed against, consideration as to whether there are other matters of interest to the House of Commons does not arise at this stage.

4. Legislative Context

4.1 These changes reflect the uprating in line with inflation of the bands of gross gaming yield made by section 152 of the Finance Act 2016 (c. 24).

5. Extent and Territorial Application

5.1 The extent of this instrument is the United Kingdom.

5.2 The territorial application of this instrument is 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 152 of the Finance Act 2016, 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, the practice has been to increase the bands for the three monthly payments on account in the Gaming Duty Regulations 1997 (S.I. 1997/2196).

7.3 The parts of the gross gaming yield in the Table are half the value of the new bands of gross gaming yield shown in section 152 of the Finance Act 2016. This is because the period covered is the first three months of a six month accounting period. If the bands used to calculate the three monthly payment on account were not increased, this would delay the benefit of the uplift to the end of a six month accounting period. The bands for three monthly payments on account were last amended by the Gaming Duty (Amendment) Regulations 2015 (S.I. 2015/1351).

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 a six month accounting period. The substituted Table is easy to understand and consolidation is therefore not required.

8. Consultation outcome

8.1 This instrument is being made as a consequence of a routine inflation-linked revalorisation that was made by section 152 of the Finance Act 2016. Such 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 this instrument.

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.

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 A Tax Information and Impact Note has not been prepared for this instrument as it contains no substantive changes to tax policy.

11. Regulating small business

11.1 The legislation applies to activities that are undertaken by small businesses.

11.2 No specific action is proposed to minimise regulatory burdens on small businesses.

11.3 The basis for the final decision on what action to take to assist small businesses was that any small firms employing up to 20 people that enter this sector would enjoy a financial benefit from the changes in the same way as larger businesses. The impact on firms of all sizes is considered to be negligible.

12. Monitoring & review

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

13. Contact

13.1 Maureen Jones at HMRC Telephone: 03000 588064 or email: Maureen.jones2@hmrc.gsi.gov.uk can answer any queries regarding the instrument.