



Bingo duty: reduction in the rate

Who is likely to be affected?

UK bingo promoters.

General description of the measure

This measure will reduce the rate of bingo duty from 20 per cent to 10 per cent. The measure will also update the legislation relating to the bingo duty exemption provision affecting adult gaming centres. This will ensure the relief works as intended.

Policy objective

Bingo halls play an important role in their local communities. The Government is committed to supporting bingo halls.

Background to the measure

The rate of bingo duty is being reduced following consideration of representations made by the bingo sector. In addition the duty exemption is being amended to replace a reference to amusement machine licence duty following its repeal and the introduction of machine games duty (MGD).

Detailed proposal

Operative date

The rate reduction will have effect for bingo duty accounting periods beginning on or after 30 June 2014. The amendment to the exemption provision will take place from the date that Finance Bill 2014 receives Royal Assent.

Current law

Subject to specific exemptions, bingo duty is charged on the playing of bingo in the UK. The duty is charged at the rate of 20 per cent of a person's bingo promotion profits for an accounting period. The amount of a person's bingo promotion profits for an accounting period is the amount of bingo receipts minus the amount of expenditure on bingo winnings. The charging provisions are to be found at section 17 of the Betting and Gaming Duties Act 1981 (BGDA). The current duty rate was introduced by section 19(1) of Finance Act 2010.

The law providing for exemption from bingo duty is to be found in Part 1 of Schedule 3 to BGDA. Paragraph 5 deals with the exemptions available to small-scale amusements provided commercially. The relief available to adult gaming centres is contained at paragraph 5(1)(b) and is dependent on an amusement machine licence being in force in respect of the premises.

Proposed revisions

Legislation will be introduced in the Finance Bill 2014 to amend BGDA to reduce the bingo duty rate to 10 per cent and to make the exemption conditional on there being a liability to MGD.

Summary of impacts

Exchequer impact (£m)	2014-15	2015-16	2016-17	2017-18	2018-19
	-30	-40	-40	-40	-40
	These figures are set out in Table 2.1 of Budget 2014 and have been certified by the Office for Budget Responsibility. More details can be found in the policy costings document published alongside the Budget.				
Economic impact	The measure is not expected to have any significant economic impacts.				
Impact on individuals and households	The impact on individuals and households is expected to be negligible. This measure is expected to have a small indirect impact on the people who play bingo.				
Equalities impacts	Due to differences in gambling participation, any change to bingo duty will have an equalities impact. Women are more likely to play bingo than men, and those in lower household income groups are more likely to play bingo than those in higher household income groups.				
Impact on business including civil society organisations	This measure is expected to have a negligible impact on businesses and civil society organisations. Approximately 170 bingo promoters will benefit from this reduction in the rate of bingo duty. This change will have a negligible one-off compliance cost for those businesses.				
Operational impact (£m) (HMRC or other)	The additional costs for HM Revenue & Customs in implementing these changes are anticipated to be negligible.				
Other impacts	<u>Small and micro business assessment</u> : small and micro businesses may benefit from this reduction in the rate of bingo duty. The impact on these businesses is expected to be negligible. Other impacts have been considered and none have been identified.				

Monitoring and evaluation

The measure will be kept under review through regular communication with the bingo sector and monitored through information collected from tax receipts.

Further advice

If you have any questions about this change, please contact Maureen Jones on 03000 588064 (email: maureen.jones2@hmrc.gov.uk).