

UK government to review casino gaming duty

London (Reuters) – The British government said on Monday it was reviewing taxes paid on player-to-player games in casinos, such as poker, where gamblers' so-called participation fees are subject to VAT but not gaming duty.

Monday's government announcement came in a statement in which the Treasury said ministers had made several incorrect statements relating to gaming duty in casinos since April 30.

Exchequer Secretary to the Treasury, Angela Eagle, said the error was first made by the then Financial Secretary to the Treasury, John Healey, when he implied that poker players, like bingo players, pay both gaming duty and VAT.

„In fact the Finance Act 1997 does not apply gaming duty to participation fees for poker played in casinos, so participation fees for poker played in casinos are liable only to VAT,“ Eagle said. „I apologise to the House for this misunderstanding.“

Bingo firms have long complained their game is taxed twice as VAT is charged on the price players pay for each bingo board (participation fee), while gross profit (participation fee minus the money paid out in prizes) is also taxed.

A Treasury spokesman said no date had been set for reporting on the review, but tax changes were typically announced in the pre-budget report, due in October this year, or the annual budget speech in the spring.