

Dutch to fight gambling tax

The threatened 40.85 per cent new gambling tax that was recently proposed for the Netherlands has been commuted to 29 per cent, but the impact is judged to be so severe on the Dutch machine market that the issue is now almost certainly set for the European Court of Justice.

Minister of Finance Wouter Bos proposed the new level of tax on all forms of gambling in the country and for several months the industry has been at a standstill as a result. The issue reached the second chamber of the Dutch parliament, the Tweede Kamer, on Wednesday, November 22, and the outcome was a toning down of the numbers to just 29 per cent, which was due to go back to the first chamber by the middle of December and come into force on July 1, 2008.

The 29 per cent tax replaces the 19 per cent VAT, but with other fiscal demands being made in the same legislation, the industry considers that it will be much more than just 10 per cent worse off and many judge the real figure to be nearer 20 per cent. As one Dutch operator told InterGame: "This is not better than what he [the minister] was originally proposing; it is less worse."

The Netherlands has 300 amusement arcades and around 35,000 AWP's in the street market. It is widely considered that the street market, machines in pubs and bars, will be taxed out of existence by the new regulations.

After over 20 years of comparative stability, the Dutch gaming machine market is now thrown into turbulence, and the trade association representing the street operators – the VAN – is now almost certain to lead the European Court campaign to declare the Dutch government's new tax initiative illegal – assuming it passes the next hurdle in the first chamber.