

Australian Capital Territory

Bookmaking Tax Rates Determination 2003 (No. 1)

Disallowable instrument DI2003—30

EXPLANATORY STATEMENT

The *Race and Sports Bookmaking Act 2001* (the Act) governs the activities of bookmakers in the Australian Capital Territory.

For the purposes of sub-section 64(1) of the Act, sub-section 65(1) provides that the Minister may determine the rate of tax applying to the turnover of race bookmakers. The rate of tax is 1% of the bookmaker's turnover, less a credit for global GST.

For the purposes of sub-section 64(2) of the Act, sub-section 65(2) provides that the Minister may determine the rate of tax applying to the turnover of sports bookmakers. The rates of tax applying are:

- 0.25% of turnover for betting on designated international sports listed in the schedule to the instrument;
- 0.5% of turnover on head-to-head sports betting;
- 1% of turnover on other sports betting;
- 6.75% of turnover for spread betting;
- 6% of turnover on parimutuel sports betting; and
- 0.25% of turnover on tote odds betting transactions.

In all cases the tax payable is calculated as a percentage of turnover, less a credit for global GST.

This determination revokes determination No.259 of 2001. This determination extends the payment periods of tax by bookmakers in order to meet extensions provided by the Australian Taxation Office for the lodgment of Business Activity Statements (BAS).

In addition this determination provides a 0.25% tax rate to apply to sport bookmakers turnover on tote odds betting transactions on specific events. The determination also corrects an anomaly contained in the revoked determination by omitting the definition of 'turnover'. This will ensure consistency with the definitions of the *Race and Sports Bookmakers Act 2001* and that the tax rate of 6.00% is now applied to turnover on parimutuel sports betting transactions and not to the gross amount deducted from the parimutuel betting pools.

Bookmakers may rollover residual GST Credit from one payment period to the next, provided that both payment periods fall within the same financial year.

A bookmaker may field in more than one jurisdiction during a relevant period. Global GST may be generated in one or more of these jurisdictions. The GST credit that can be claimed against the bookmaker's tax payable as being global GST is that attributable only to bets accepted within the Australian Capital Territory.

Ted Quinlan MLA

Minister for Sport, Racing and Gaming

21 March 2003