

AUSTRALIAN CAPITAL TERRITORY

BOOKMAKERS ACT 1985

DETERMINATION OF FEES

INSTRUMENT NO. 207 OF 2000

EXPLANATORY STATEMENT

As part of National Tax Reform the States and Territories have agreed to take account of the GST impact on gambling operators. To assist industry in implementing the GST and to ensure that where possible the present ACT tax policy and structure are maintained, the Government looked at each tax separately in determining the best approach.

For equity and efficiency reasons, the Government decided to provide for non-refundable GST credits against the ACT tax liability on an operator basis for sports betting fees.

The *Bookmakers Act 1985* (the Act) regulates bookmaking activities in the ACT. Section 39K provides that the determined fee for a sports betting licence is payable to the Territory within the determined period.

This instrument repeals Determination No. 255 of 1998, notified in Australian Capital Territory Gazette No. S207 of 27 November 1998 and provides for a GST credit against the monthly sports betting fee.

This instrument determines the fees for a sports betting licence through a number of components. The first component, the annual fee and pro-rata annual fee (paragraphs 1,2 and 3 of the determination), remain unchanged from the previous determination and is unaffected by the GST credit.

The second component, the monthly fee based on a percentage of turnover in respect of fixed odds sports betting transactions [paragraph 4(a), (b) and (c)]; the third component, the licence fee applying to spread betting transactions [paragraph 4(d)]; and the fourth component, the licence fee applying to parimutuel sports wagering pools [paragraph 4(e)], all require adjustment, on a monthly basis, for the GST credit.

A "GST Credit" will apply if a licensee was liable for a global GST amount (*the GST paid*) for a GST tax period that ended during a month.

- If the GST paid is less than the licensee's gross fee for the month, the amount of the fee for which the licensee is liable is reduced by the GST paid.
- If the GST paid is equal to or more than the licensee's gross fee for the month, the licensee is not liable for a fee for the month.

For the purposes of this instrument, the following definitions apply: -

turnover, in respect of a period, means the total amount of money or stake promised or pledged to a licensee in respect of all bets accepted during that period, less any amount refunded in accordance with the rules of sports betting determined under section 39C(1) of the Act in respect of bets accepted during that period or any earlier period.

commission in respect of a period, means the gross amount deducted from the parimutuel betting pools conducted by the licensee during that period.

fee means the fee under section 39K of the Act.

global GST amount—see the GST provision.

the gross fee, for a licensee, is the amount of fee for which the licensee would, apart from this provision, be liable.

GST provision means section 126-10 of the *A New Tax System (Goods and Services Tax) Act 1999* (Cwlth) (which deals with tax on gambling revenues).

Authorised by the Treasurer