

Australian Capital Territory

Bookmaking Tax Rates Determination 2003 (No. 3)

Disallowable instrument DI2003—275

EXPLANATORY STATEMENT

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

Race bookmakers

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 0% of the bookmaker's turnover.

Reference to a credit for global GST paid is now removed for race bookmakers. With the reduction of the turnover tax rate to zero, there is no need for the ACT to take any further action to compensate race bookmakers for the GST.

This measure will restore the tax rate parity for race bookmakers who field on meetings in both NSW and the ACT. It is also consistent with all other jurisdictions except for the Northern Territory and Tasmania.

Sports bookmakers

The determination also addresses an inconsistency between the previous determination, DI2003-30, and the *Race and Sports Bookmaking Act 2000* (the Act). Consistent with the Act, this determination requires sports bookmakers to lodge a return within 28 days after the end of a payment period.

Sports 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 sports 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 sports bookmaker's tax payable as being global GST is that attributable only to bets accepted within the Australian Capital Territory.

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.

Ted Quinlan MLA

Minister for Sport, Racing and Gaming

29 September 2003