

2000

THE LEGISLATIVE ASSEMBLY FOR THE AUSTRALIAN CAPITAL  
TERRITORY

*INTERACTIVE GAMBLING ACT 1998*

INTERACTIVE GAMBLING REGULATIONS AMENDMENT

Subordinate law No. 27 of 2000

EXPLANATORY STATEMENT

*The Interactive Gambling Act 1998* (the Act) provides for the regulation of interactive gambling in the ACT.

Section 148 of the Act empowers the Executive to make regulations for the purposes of the Act.

These regulations amend the interactive gambling tax rates in the ACT and provide that under the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations (IGA), the ACT is able to take account of the GST impact on interactive gambling operators.

Clause 1 provides for the commencement date of the regulations to be 1 July 2000.

Clause 2 provides for the name of the regulations to be amended as the *Interactive Gambling Regulations*.

Clause 3 repeals Regulation 1 and substitutes a new regulation 1 to name the regulations the *Interactive Gambling Regulations 1998*.

Clause 4 repeals regulation 12 and substitutes a new regulation 12 and new regulation 12A to provide for the new interactive gambling rates and provisions for tax credits in relation to the GST respectively.

New tax rates-

- For each month from the beginning of a financial year until and including the month in that year in which the total interactive gambling profit for the year first exceeds \$10 million – 20%; and
- For each subsequent month of the financial year until and including the month in which the total interactive gambling profit for the year first exceeds \$20 million – 10%; and

- For every other month of the year – 5%.

For the purposes of this regulation, the following definition applies: -

***total interactive gambling profit***, for a licensed provider, means the sum of the gross profits of all authorised games conducted by the provider.

*Tax credit in relation to GST*

A tax credit will apply if a licensee paid to the Commonwealth an amount in respect of the provider's liability for a global GST amount (the **GST paid**) during a month.

- If the GST paid is less than the interactive gambling tax payable for the month, the amount of the interactive gambling tax for which the licensee is liable is reduced by the GST paid.
- If the GST paid is equal to or more than the interactive gambling tax for the month, the licensee is not liable for interactive gambling tax for the month.

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

***global GST amount***—see the GST provision.

***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).

***GST tax period*** means a tax period referred to in the GST provision.

Authorised by the Treasurer