

# AUSTRALIAN CAPITAL TERRITORY

## *GAMING MACHINE ACT 1987*

### DETERMINATION OF GST CREDIT AND GST REFUND

#### EXPLANATORY STATEMENT

##### **Instrument No. 232 of 2000**

The *Gaming Machine Act 1987* (the Act) governs the operation and regulation of gaming machines in the Territory. Section 58A of the Act allows the ACT Gambling and Racing Commission to determine the rate of GST Credit and the rate of GST Refund payable under that section of the Act.

Section 58A of the Act commences on 1 July 2000 and coincides with the introduction of the GST. This instrument is the first determination made under this section of the Act.

In accordance with the Territory's undertaking in the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, the ACT has agreed to take account of the GST impacts on gambling operators. It has been agreed between the Territory and ClubsACT that the clubs will claim a credit (*GST Credit*) against their gambling tax liability for the GST liability payable by the clubs (the Global GST amount). It has also been agreed that smaller clubs that do not pay gaming machine tax because they are below the tax threshold will be refunded the GST (*GST Refund*) paid for the first two years from 1 July 2000.

The GST Refund will ensure that smaller clubs are no worse off under the GST arrangements. The level of the GST Credit has been set to provide an off-set for the funds provided as a GST Refund. In other words, the industry has agreed to subsidise the smaller clubs for the first two years after the introduction of the GST.

The new determination has effect from 1 July 2000 to coincide with the commencement of the GST.