

AUSTRALIAN CAPITAL TERRITORY

BOOKMAKERS ACT 1985

DETERMINATION OF FEES

INSTRUMENT NO. 206 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.

The least disruptive option for bookmakers was to move to a quarterly ACT tax system (passed in the Legislative Assembly on 23 May 2000, commencing on 1 July 2000) maintaining the present turnover tax and allowing a non-refundable credit for GST paid to the extent of the ACT liability.

The *Bookmakers Act 1985* (the Act) regulates bookmaking activities in the ACT.

Subsection 29(1) of the Act imposes on standing licence bookmakers a turnover fee. The new determined fee is now 1% of bookmaker's turnover less a credit for GST.

The GST credit applies if a bookmaker was liable for a global GST amount (*the GST paid*) for a GST tax period that ended during a quarter.

Then, if the GST paid is less than the bookmaker's gross fee for the quarter, the amount of the fee for which the bookmaker is liable is reduced by the GST paid.

However, if the GST paid is equal to or more than the bookmaker's gross fee for the quarter, the bookmaker is not liable for a fee for the quarter.

For the purposes of this determination the following definitions were provided:

fee means the fee under subsection 29(1) of the Act.

global GST amount—see the GST provision.

the gross fee, for a bookmaker, is the amount of fee for which the bookmaker 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