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(Bristol South - Lab)

**Amendment 1**

Clause 9, page 10, line 4 [Vol 1], leave out ‘, where VAT is charged in respect of the use’.

**EXPLANATORY NOTE****SUMMARY**

1. This amendment modifies clause 9 which amends the charging provision for general betting duty in section 2(2) of the Betting and Gaming Duties Act 1981. This amendment removes the requirement that value added tax must be charged before bets that are made on a gaming machine can be exempt from general betting duty.

**DETAILS**

2. This amendment removes the qualifying criterion that value added tax must be charged before bets made on a gaming machine can be exempt from general betting duty.

**BACKGROUND NOTE**

3. This clause follows on from the announcement in the 2005 Pre-Budget Report on gaming machines. At that time, changes were made to the definition of gaming machine included in Group 4 of Schedule 9 to the VAT Act by a Treasury Order that came into force on 6 December 2005 (SI No. 2005/3328) to update VAT legislation in line with the social law, namely the Gambling Act 2005. This change brought some machines within the scope of VAT that allowed persons playing them to make bets. Those bets were charged with general betting duty, but it is not Government policy to charge both of these taxes on the same activity. The

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charging provision in section 2 of the Betting and Gaming Duties Act 1981 could only be amended by primary legislation. This clause is intended to remove any charge to general betting duty in relation to gaming machines. This amendment achieves that objective.