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AMENDMENT NOTE

Mr Stephen Timms (Labour East Ham)

Amendment No 240, Schedule 25, page 275, line 41

Leave out ‘charitable purposes only’ and insert ‘a purpose other than that of private gain (within the meaning of the Gambling Act 2005)’.

SUMMARY

1. This amendment makes a minor change to Schedule 25. Clause 104 and Schedule 25 make amendments to tax legislation for betting gaming and lotteries as a consequence of, or in connection with, the Gambling Act 2005.

DETAILS

2. Paragraph 17 of Schedule 25 amends section 10 of the Finance Act 1997 to preserve exemptions from gaming duty that are dependent on the Gaming Act 1968 and the Lotteries and Amusements Act 1976, both of which will be repealed by the Gambling Act 2005.
3. Paragraph 17(3) introduces a new section 10(3B) to the Finance Act 1997 that provides an exemption from gaming duty for gaming where the proceeds, after permissible deductions, are applied for charitable purposes only. This has unintentionally narrowed the scope of the current exemption.

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4. Amendment 240 amends paragraph 17(3) of Schedule 25 so that the requirement that the proceeds of the gaming are for a charitable purpose only is replaced by a requirement that the gaming is promoted for a purpose other than for private gain.

BACKGROUND NOTE

5. Schedule 25 makes amendments to tax legislation for betting gaming and lotteries that are consequential on, or otherwise connected with, the implementation of the Gambling Act 2005. Current references to social law that are contained in the tax legislation will become redundant when the Gambling Act 2005 is fully implemented. The amendments proposed by Schedule 25 are intended to maintain the dependencies between social and tax law.

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NOTE FOR MINISTER (NOT FOR CIRCULATION)

Accept

Cost: neutral

SUMMARY

Amendment 240

1. The Amendment will modify paragraph 17(3) of Schedule 25 to maintain the scope of an exemption from gaming duty that is provided by section 10(3)(d) of the Finance Act 1997.

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BACKGROUND NOTE TO AMENDMENTS

2. Tax legislation for betting, gaming and lotteries has many dependencies on social law. With the implementation of the Gambling Act 2005 later this year most of the existing social law will be repealed and those dependencies will be broken. Schedule 25 seeks to amend the tax legislation so that its effects are preserved after the implementation of the Gambling Act.
3. Paragraph 17 of Schedule 25 makes amendments to the Finance Act 1997 that are intended to preserve a number of exemptions to gaming duty that are provided by section 10 of that Act. Following representations from Department for Culture Media and Sport officials we agreed that we had unintentionally narrowed the scope of the duty exemption that is currently provided by section 10(3)(d) of the Finance Act.
4. This amendment will maintain the scope of the exemption.