



Government of South Australia
Office of the Liquor and Gambling
Commissioner

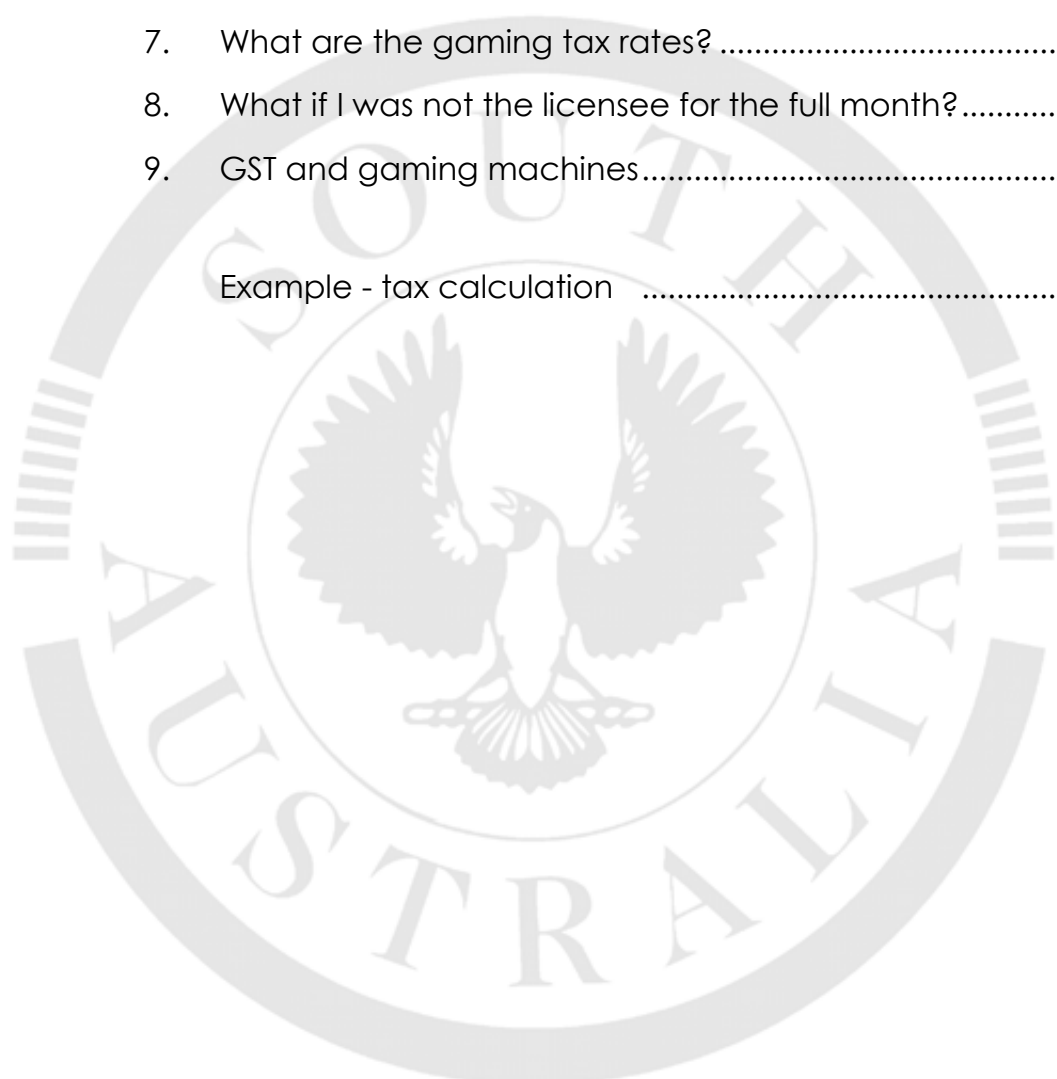
GAMING TAX BOOKLET

Section 72 - Gaming Machines Act 1992

Effective from: 1 July 2006

Gaming tax

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1. Who calculates gaming tax?

Gaming Tax payable for each month is calculated by the Office of the Liquor and Gambling Commissioner and is based on the Net Gambling Revenue for the calendar month as reported by the Independent Gaming Corporation Limited's Monitoring System.

You will receive a statement each month from the Independent Gaming Corporation showing the net gambling revenue for your venue.

2. Do I have to lodge a return?

No. Licensees do not have to lodge any paper returns to this Office. Records must be kept in accordance with the requirements detailed in the Record Keeping Requirements booklet and made available for inspection by an authorised officer upon request.

3. When do I pay gaming tax?

In accordance with Section 72 of the Gaming Machines Act 1992, the holder of a gaming machine licence must pay gaming tax within seven days of the end of each calendar month. Therefore tax will normally be due on the 7th day of the month. However, if the 7th falls on a weekend or public holiday, tax will be due on the next business day.

4. How do I know how much to pay?

The gaming tax calculation is normally completed on the 2nd day of each month (or if that day is a weekend, the next business day). A gaming tax statement will be sent to you in the mail that day. If you have not received a statement by the 7th of the month (or next business day) contact the Office of the Liquor and Gambling Commissioner on 8226 8410.

5. How do I pay gaming tax?

Gaming Tax is paid via electronic funds transfer (EFT) from your nominated bank account.

Bank accounts are debited on the 7th day of each month. If that day happens to fall on a weekend or public holiday, then the account will be debited on the next business day.

You must ensure that there are sufficient funds available in the account to cover the full amount of gaming tax payable. Your account will not be debited for part amounts. Also, you must ensure that there are sufficient funds available in the account on the actual day of the EFT. An attempt to debit your account will only occur once on that day. If unsuccessful, it will not try again.

5.1 Bank Accounts - Direct Debit Request

A licensee must advise of his/her nominated account by lodging a Direct Debit request form detailing the bank, account number and name of the account. The original form must be returned to this Office and a copy of the form given to your bank.

Direct Debit Request forms are available by telephoning the Office of the Liquor and Gambling Commissioner on 8226 8410 or can be downloaded from our website at www.olgc.sa.gov.au.

5.2 Bank Accounts - Changing Bank Accounts

If you have changed bank accounts, you need to notify this Office. A new Direct Debit Request form will need to be completed and returned prior to the next month's EFT.

5.3 Bank Accounts - Do I Have To Have A Separate Gaming Bank Account?

No. You do not have to have a separate gaming machine bank account from your general bank account for the business.

6. What happens if I do not pay my gaming tax by EFT on the nominated day?

6.1 Non payment by EFT

If there is insufficient funds in your account on the 7th day of the month, or you have not lodged a Direct Debit Request, gaming tax will not be paid and will remain as an outstanding liability.

As bank accounts can not be debited twice, you will have to pay your gaming tax either:

- ◆ **in person, at our office:** Level 9, 50 Grenfell Street
Adelaide SA 5000.

Payment can be made by: cash,
bank cheque or
Eftpos facilities are available

- ◆ **by telephone on** (08) 8226 8410

Payment can be made by: credit card (VISA, Mastercard, Bankcard, AMEX, Diners)
or

- ◆ **by post:**

Payment can be made by: Bank Cheque or Money Order
(Please note that personal, company or club cheques are not accepted)

Payment must reach this Office within **7 days** after the attempted debit of your account, otherwise a fine will be incurred.

6.2 Fines

If gaming tax is unpaid by the close of business 7 days after the attempted debit of your account, a fine of 10% of the current month's tax liability will be applied.

6.3 Suspension of licence

If gaming tax and the fine is not paid within 10 days after the attempted debit of your account (i.e. 3 days after the fine has been applied), the Commissioner may suspend the licence until the full outstanding amount is paid. A written notice will be sent to you advising of the suspension. This will result in your gaming machines being disabled.

6.4 Disciplinary action

Non payment of gaming tax constitutes an offence of Section 72B of the Act. In addition to imposing a fine and suspending the licence, the Commissioner may also exercise his disciplinary powers under Section 36 of the Gaming Machines Act, 1992.

Disciplinary action can include the following:

- ◆ reprimand
- ◆ add or vary conditions of licence
- ◆ suspension of licence
- ◆ revocation of licence
- ◆ fine

The Commissioner must give you written notice of any proposed disciplinary action and allow a period of at least 21 days for you to show cause why the disciplinary action should not be taken.

7. What are the gaming tax rates?

7.1 Annual rates

Gaming tax is calculated as a percentage of annual Net Gambling Revenue (NGR) and operates on a tiered basis which applies a different rate of tax depending on the level of NGR.

There are two sets of rates which differentiate between hotels and clubs.

The following rates apply:

Annual NGR	Other than Non-Profit Businesses	Non-Profit Business
	Marginal Tax Rates	Marginal Tax Rates
\$0 - \$75,000	0%	0%
\$75,001-\$399,000	27.50%	21.00%
\$399,001 - \$945,000	\$89,100 plus 37.00% of excess NGR over \$399,000	\$68,040 plus 28.50% of excess NGR over \$399,000
\$945,001 - \$1,500,000	\$291,120 plus 40.91% of excess NGR over \$945,000	\$223,650 plus 30.91% of excess NGR over \$945,000
\$1,500,001 - \$2,500,000	\$518,170.50 plus 47.5% of excess NGR over \$1,500,000	\$395,200.50 plus 37.5% of excess NGR over \$1,500,000
\$2,500,001 - \$3,500,000	\$993,170.50 plus 57% of excess NGR over \$2,500,000	\$770,200.50 plus 47% of excess NGR over \$2,500,000
Above \$3,500,000	\$1,563,170.50 plus 65% of excess NGR over \$3,500,000	\$1,240,200.50 plus 55% of excess NGR over \$3,500,000

A **non-profit business** is defined as "a business carried out pursuant to a gaming machine licence held by or on behalf of a body corporate or association, where the Minister is satisfied that the profits of the business cannot be returned to the members or shareholders of the body corporate or association". Effectively this definition applies to all incorporated clubs and also includes community hotels.

7.2 Monthly calculation

Although the tax rates are based on annual NGR, it is actually calculated on a monthly basis.

Each month a licensee's total year to date liability is calculated. Tax for all previous months is then deducted with the balance being the liability for the current month. The licensee's tax liability is therefore automatically adjusted each month eliminating the need for any end of year adjustments.

The example in **Appendix 1** illustrates how this monthly calculation is applied to a hotel whose annual NGR equals \$3,000,000.

8. What if I was not the licensee for the full month?

Section 72A (3b) provides that gaming tax for the entire month is to be collected from the licensee who is current as at the last day of the month.

If the gaming machine licence was transferred to you during the month you will be required to pay the full months tax by EFT from your bank account.

Any apportionment of tax between you and the transferor for a part of the month should be calculated by your solicitor or broker and included as an adjustment as part of your settlement.

A licensee (or solicitor or broker with authorisation from a licensee) may obtain a copy of the Net Gambling Revenue (NGR) figure for a period from the Independent Gaming Corporation Ltd (Operator of the monitoring system). For example, if a settlement is to occur on the 11th day of the month, NGR for the period of the 1st to the 10th can be obtained on the morning of the 11th.

While it is up to the transferring parties as to the method of calculating the tax on NGR, the following method is suggested:

A licence transfers on 11 August. Net Gambling Revenue for the period 1 August to 10 August totals \$45,000.

Monthly thresholds are \$6250, \$33,250, \$78,750, \$125,000, \$208,333 and \$291,667 (12 monthly thresholds divided by 12)

Thresholds for 10 days equates to:	10/31 of \$6250	= \$2016
	10/31 of \$33250	= \$10726
	10/31 of \$78750	= \$25403
	10/31 of \$125000	= \$40323
	10/31 of \$208333	= \$67204
	10/31 of \$291667	= \$94086

Gaming Tax rates become:

NGR less than \$2016 is taxed at 0.00%
 NGR above \$2016 but below \$10726 is taxed at 27.50%
 NGR above \$10,726 but below \$25,403 is taxed at 37.00%
 NGR above \$25,403 but below \$40,323 is taxed at 40.91%
 NGR above \$40,323 but below \$67,204 is taxed at 47.50%
 NGR above \$67,204 but below \$94,086 is taxed at 57%
 NGR above \$94,086 is taxed at 65%

Gaming tax on \$45,000 for the period 1 August to 10 August would be calculated as follows:

\$2016 x 0%	=	\$0.00
(\$10726 - \$2016) x 27.50%	=	\$2,395.25
(\$25403 - \$10726) x 37.00%	=	\$5,430.49
(\$40323 - \$25403) x 40.91%	=	\$6,103.77
(\$45000 - \$40323) x 47.50%	=	<u>\$2,221.57</u>
Total gaming tax	=	\$16,151.08

Total Tax Liability for 10 days:

9. GST and gaming machines

GST is a tax payable to the Commonwealth Government and is separate from the gaming tax you pay monthly to the Office of the Liquor and Gambling Commissioner.

There is no GST included in the gaming tax paid monthly to the Liquor and Gambling Commissioner.

To find out how GST is calculated on gaming machines or other gambling products and how you should include gambling in your BAS statements, you should contact the **Australian Taxation Office** on **13 24 78** or visit their website at **www.taxreform.ato.gov.au**



Example - Annual net gambling revenue tax calculation

	Monthly NGR	Cumulative NGR	Progressive Threshold 1	NGR Below Threshold 1	Tax at 0%	Progressive Threshold 2	NGR Between Threshold 1 & Threshold 2	Tax at 27.5%	Progressive Threshold 3	NGR Between Threshold 2 & 3	Tax at 37%	Progressive Threshold 4	NGR Between Threshold 3 & 4	Tax at 40.91%
Jul	\$250,000	\$250,000	\$ 6,250	\$ 6,250	\$ -	\$33,250	\$ 27,000	\$7,425	\$78,750	\$45,500	\$ 16,835	\$ 125,000	\$ 46,250	\$ 18,920.88
Aug	\$250,000	\$ 500,000	\$ 12,500	\$ 12,500	\$ -	\$66,500	\$ 54,000	\$14,850	\$157,500	\$91,000	\$ 33,670	\$ 250,000	\$ 92,500	\$ 37,841.75
Sep	\$250,000	\$ 750,000	\$ 18,750	\$ 18,750	\$ -	\$99,750	\$ 81,000	\$22,275	\$236,250	\$136,500	\$ 50,505	\$ 375,000	\$ 138,750	\$ 56,762.63
Oct	\$250,000	\$1,000,000	\$ 25,000	\$ 25,000	\$ -	\$133,000	\$ 108,000	\$29,700	\$315,000	\$182,000	\$ 67,340	\$ 500,000	\$ 185,000	\$ 75,683.50
Nov	\$250,000	\$1,250,000	\$ 31,250	\$ 31,250	\$ -	\$166,250	\$ 135,000	\$37,125	\$393,750	\$227,500	\$ 84,175	\$ 625,000	\$ 231,250	\$ 94,604.38
Dec	\$250,000	\$1,500,000	\$ 37,500	\$ 37,500	\$ -	\$199,500	\$ 162,000	\$44,550	\$472,500	\$273,000	\$ 101,010	\$ 750,000	\$ 277,500	\$113,525.25
Jan	\$250,000	\$1,750,000	\$ 43,750	\$ 43,750	\$ -	\$232,750	\$ 189,000	\$51,975	\$551,250	\$318,500	\$ 117,845	\$ 875,000	\$ 323,750	\$132,446.13
Feb	\$250,000	\$2,000,000	\$ 50,000	\$ 50,000	\$ -	\$266,000	\$ 216,000	\$59,400	\$630,000	\$364,000	\$ 134,680	\$1,000,000	\$ 370,000	\$151,367.00
Mar	\$250,000	\$2,250,000	\$ 56,250	\$ 56,250	\$ -	\$299,250	\$ 243,000	\$66,825	\$708,750	\$409,500	\$ 151,515	\$1,125,000	\$ 416,250	\$170,287.88
Apr	\$250,000	\$2,500,000	\$ 62,500	\$ 62,500	\$ -	\$332,500	\$ 270,000	\$74,250	\$787,500	\$455,000	\$ 168,350	\$1,250,000	\$ 462,500	\$189,208.75
May	\$250,000	\$2,750,000	\$ 68,750	\$ 68,750	\$ -	\$365,750	\$ 297,000	\$81,675	\$866,250	\$500,500	\$ 185,185	\$1,375,000	\$ 508,750	\$208,129.63
Jun	\$250,000	\$3,000,000	\$ 75,000	\$ 75,000	\$ -	\$399,000	\$ 324,000	\$89,100	\$945,000	\$546,000	\$ 202,020	\$1,500,000	\$ 555,000	\$227,050.50
Totals	\$ 3,000,000		\$ 75,000			\$399,000			\$945,000			\$1,500,000		

continued ...

	Progressive Threshold 5	NGR Between Threshold 4 & 5	Tax at 47.5%	Progressive Threshold 6	NGR Between threshold 5 & 6	Tax at 57%	NGR Above Threshold 6	Tax at 65%	Cumulative tax	Tax to Date	Monthly Tax Payable
Jul	\$208,333	\$83,333	\$39,583.18	\$291,667	\$ 41,667	\$23,750.19	\$ -	\$ -	\$106,514.24	\$ -	\$106,514.24
Aug	\$416,666	\$166,666	\$79,166.35	\$583,334	\$ 83,334	\$47,500.38	\$ -	\$ -	\$213,028.48	\$106,514.24	\$106,514.24
Sep	\$625,000	\$250,000	\$118,750.00	\$875,000	\$ 125,000	\$71,250.00	\$ -	\$ -	\$319,542.63	\$213,028.48	\$106,514.15
Oct	\$833,333	\$333,333	\$158,333.18	\$1,166,667	\$ 166,667	\$95,000.19	\$ -	\$ -	\$426,056.87	\$319,542.63	\$106,514.24
Nov	\$1,041,666	\$416,666	\$197,916.35	\$1,458,334	\$ 208,334	\$118,750.38	\$ -	\$ -	\$532,571.11	\$426,056.87	\$106,514.24
Dec	\$1,250,000	\$500,000	\$237,500.00	\$1,750,000	\$ 250,000	\$142,500.00	\$ -	\$ -	\$639,085.25	\$532,571.11	\$106,514.15
Jan	\$1,458,333	\$583,333	\$277,083.18	\$2,041,667	\$ 291,667	\$166,250.19	\$ -	\$ -	\$745,599.49	\$639,085.25	\$106,514.24
Feb	\$1,666,666	\$666,666	\$316,666.35	\$2,333,334	\$ 333,334	\$190,000.38	\$ -	\$ -	\$852,113.73	\$745,599.49	\$106,514.24
Mar	\$1,875,000	\$750,000	\$356,250.00	\$2,625,000	\$ 375,000	\$213,750.00	\$ -	\$ -	\$958,627.88	\$852,113.73	\$106,514.15
Apr	\$2,083,333	\$833,333	\$395,833.18	\$2,916,667	\$ 416,667	\$237,500.19	\$ -	\$ -	\$1,065,142.12	\$958,627.88	\$106,514.24
May	\$2,291,666	\$916,666	\$435,416.35	\$3,208,334	\$ 458,334	\$261,250.38	\$ -	\$ -	\$1,171,656.36	\$1,065,142.12	\$106,514.24
Jun	\$2,500,000	\$1,000,000	\$475,000.00	\$3,500,000	\$ 500,000	\$285,000.00	\$ -	\$ -	\$1,278,170.50	\$1,171,656.36	\$106,514.15
Totals	\$2,500,000			\$3,500,000							\$1,278,170.50