



Finance Act 2006

2006 CHAPTER 25

PART 1

EXCISE DUTIES

Amusement machine licence duty

11 Definition of “gaming machine”

- (1) For section 25(1) to (1B) of the Betting and Gaming Duties Act 1981 (c. 63) (amusement machine licence duty: definition of “amusement machine”) substitute—

“(1) A machine is an amusement machine for the purposes of this Act if it is—
(a) a gaming machine, and
(b) a prize machine.

(1A) In this Act “gaming machine” means a machine that is a gaming machine for the purposes of section 23 of the Value Added Tax Act 1994 (c. 23).”

- (2) In section 25(1C) of the Betting and Gaming Duties Act 1981 (“prize machine”) for “an amusement machine is a prize machine” substitute “a machine is a prize machine”.
- (3) In Schedule 3 to the Betting and Gaming Duties Act 1981 (bingo duty) omit paragraph 6 (machine bingo).
- (4) Subsections (1) and (2) shall have effect in relation to the provision of a machine on or after 1st August 2006.
- (5) Subsection (3) shall have effect in relation to accounting periods beginning on or after 1st August 2006.

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12 Classes of machine and rates of duty

(1) For section 21(3AA) to (3E) of the Betting and Gaming Duties Act 1981 (c. 63) (special licences and excepted machines) substitute—

- “(4) A special amusement machine licence shall be granted only—
- (a) for a small prize machine,
 - (b) if conditions prescribed by the Commissioners by regulations are satisfied in relation to the application for the licence, the applicant and the machine, and
 - (c) for a period of twelve months.
- (5) The following are excepted machines—
- (a) machines that are not gaming machines,
 - (b) a gaming machine in respect of which—
 - (i) the cost of a single game does not exceed 30p,
 - (ii) the maximum value of the prize for winning a single game does not exceed £8, and
 - (iii) the maximum cash component of the prize for winning a single game does not exceed £5,
 - (c) a gaming machine in respect of which—
 - (i) the cost of a single game does not exceed 10p, and
 - (ii) the maximum value of the prize for winning a single game does not exceed £5, and
 - (d) two-penny machines.”

(2) In section 22(2) of that Act (gaming machines) paragraph (b) shall cease to have effect.

(3) For section 23(2) and (3) of that Act (rates) substitute—

- “(2) The appropriate amount for each machine shall be determined in accordance with the following Table by reference to—
- (a) the period for which the licence is granted, and
 - (b) the machine's category determined in accordance with subsection (3).

<i>(1)</i>	<i>(2)</i>	<i>(3)</i>	<i>(4)</i>	<i>(5)</i>	<i>(6)</i>	<i>(7)</i>
<i>Months for which licence granted</i>	<i>Category A</i>	<i>Category B1</i>	<i>Category B2</i>	<i>Category B3</i>	<i>Category B4</i>	<i>Category C</i>
1	£435	£220	£170	£170	£155	£65
2	£875	£435	£345	£345	£310	£130
3	£1310	£655	£515	£515	£465	£195
4	£1750	£875	£690	£690	£625	£255
5	£2185	£1095	£860	£860	£780	£320
6	£2625	£1310	£1030	£1030	£935	£385
7	£3060	£1530	£1205	£1205	£1090	£450

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8	£3500	£1750	£1375	£1375	£1245	£515
9	£3935	£1970	£1545	£1545	£1400	£580
10	£4375	£2185	£1720	£1720	£1555	£645
11	£4810	£2405	£1890	£1890	£1715	£705
12	£5000	£2500	£1965	£1965	£1780	£735

(3) The categories of gaming machine are as follows—

Category A – a gaming machine which is not within another category.

Category B1 – a gaming machine which is not within a lower category and in respect of which—

- (i) the cost of a single game does not exceed £2, and
- (ii) the maximum value of the prize for winning a single game does not exceed £4,000.

Category B2 – a gaming machine which is not within a lower category and in respect of which—

- (i) the cost of a single game does not exceed £100, and
- (ii) the maximum value of the prize for winning a single game does not exceed £500.

Category B3 – a gaming machine which is not within a lower category and in respect of which—

- (i) the cost of a single game does not exceed £1, and
- (ii) the maximum value of the prize for winning a single game does not exceed £500.

Category B4 – a gaming machine which is not within a lower category and in respect of which—

- (i) the cost of a single game does not exceed £1, and
- (ii) the maximum value of the prize for winning a single game does not exceed £250.

Category C—

- (i) a gaming machine in respect of which the cost of a single game does not exceed 5p, and
- (ii) a gaming machine in respect of which—
 - (a) the cost of a single game does not exceed 50p, and
 - (b) the maximum value of the prize for winning a single game does not exceed £25.

(4) Where a machine offers more than one class of game, it falls within a category only if it satisfies the requirements of that category in respect of each class.

(5) Where a prize is anything other than money its value for the purposes of this section is—

- (a) in the case of a voucher or token that may be exchanged for, or used in place of, an amount of money, that amount,
- (b) in the case of a voucher or token that does not fall within paragraph (a) and that may be exchanged for something other than money, the cost

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that the person providing the machine would incur in obtaining that thing from a person not connected with him (within the meaning of section 839 of the Income and Corporation Taxes Act 1988), and

- (c) in any other case, the cost that the person providing the machine would incur in obtaining the prize from a person not connected with him (within that meaning).
- (6) For the purposes of subsection (3) Category A is the highest category and Category C is the lowest.”
- (4) For section 25(4) to (7) of the Betting and Gaming Duties Act 1981 (c. 63) substitute—
- “(4) A machine which has a number of individual playing positions allowing persons to play simultaneously (whether or not participating in the same game) shall be treated for the purposes of sections 21 to 24 as that number of separate machines.”
- (5) Section 25A of that Act (power to modify definitions) shall cease to have effect.
- (6) In section 26(2) of that Act (supplemental) the following shall cease to have effect—
- (a) the definition of “ video machine ”, and
 - (b) in the definition of “two-penny machine”, the words from “and “five-penny machine”” to the end.
- (7) Paragraphs 2 and 3 of Schedule 4 to that Act (exemptions) shall cease to have effect.
- (8) Subsections (1) to (7) shall have effect in relation to the grant of an amusement machine licence on or after 1st August 2006.
- (9) An amusement machine licence granted before that time shall continue to have effect (for which purpose the Betting and Gaming Duties Act 1981 shall have effect without the amendments effected by this section).
- (10) But subsection (9) shall not apply in relation to machines which become gaming machines by virtue of section 11 of this Act.
- (11) For the purpose of the application of Schedule 4A to that Act (default licences) in respect of a period before 1st August 2006 no account shall be taken of an amendment effected by subsections (1) to (7) above or by section 11 above.

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