

FINANCE ACT 2014

EXPLANATORY NOTES

INTRODUCTION

Section 124: Rates of Machine Games Duty

Summary

1. This section amends the machine games duty (MGD) legislation in Schedule 24 to Finance Act 2012 by introducing a third type of machine for duty purposes and a higher rate of duty.

Details of the Section

2. Subsection (2) substitutes a new paragraph 5 of Schedule 24 to FA 2012 to make provision for three types of machine to be defined by reference to the highest charge payable for playing a game and the highest cash prize that can be won from playing a game, and to provide that the specified values may be increased by secondary legislation.
3. Subsection (3) amends paragraph 6 of Schedule 24 to FA 2012, which describes how the duty is charged, to introduce a third type of machine, “type 3 machines”, into the equation..
4. Subsection (4) substitutes a new paragraph 9 of Schedule 24 to FA 2012, which provides the MGD rates, to introduce a higher rate.
5. Subsection (5) makes a consequential revocation of secondary legislation.

Background Note

6. The MGD legislation has been amended to introduce a high rate of 25 per cent that will apply to the net takings from a specific type of high stake and high prize gaming machine. Under the Gambling Act 2005 these machines are regulated as Category B2 gaming machines and are typically found in betting shops.