

House of Representatives

Supplementary Order Paper

Thursday, 16 March 2006

Taxation (Depreciation, Payment Dates Alignment, FBT, and Miscellaneous Provisions) Bill

Proposed amendments

Rt Hon Winston Peters, in Committee, to move the following:

New clause 2(13)

To replace the *new clause 2(13)* inserted by Supplementary Order Paper No 15 (page 18, after line 27) by the following:

- (13) **Sections 49BA to 49BAD, 76BA, 221B, and 221C** come into force on 1 August 2006.

New clauses 221B and 221C

To insert after *clause 221* (page 339, after line 29), the following:

221B Interpretation

- (1) In section 3 of the Gaming Duties Act 1971, the definition of **winning dividend** is replaced by the following:

“**winning dividend**—

“(a) means the amount paid to a person for placing a winning bet; and

“(b) includes an amount paid to a person from an accumulated dividend prize pool, but only when that prize pool is paid out:”

- (2) **Subsection (1)** applies for all racing betting and sports betting on events for which results have been declared on and after 1 August 2006, treating an event held over 2 or more days as having been held in the month in which the last day occurs.

221C Totalisator duty

- (1) Section 4 of the Gaming Duties Act 1971 is replaced by the following:

“4 Totalisator duty

“(1) A totalisator duty is payable to the Crown at the rate of 4% of betting profits.

“(2) Betting profits for totalisator racing betting, sports betting and fixed-odds racing betting is calculated in accordance with the formula—

amounts – refunds – winning dividends

where—

“**amounts** is the total of all amounts received by the Board or its agents (including the net return from bets laid off) for—

“(a) totalisator racing betting:

“(b) sports betting:

“(c) fixed-odds racing betting

“**refunds** is the amount of refunds paid

“**winning dividends** is the amount of all winning dividends paid out in respect of **amounts** described above.”

(2) **Subsection (1)** applies for all racing betting and sports betting on events for which results have been declared on and after 1 August 2006, treating an event held over 2 or more days as having been held in the month in which the last day occurs.

Explanatory note

This Supplementary Order Paper amends the *Taxation (Depreciation, Payment Dates Alignment, FBT, and Miscellaneous Provisions) Bill*, to align duty imposed on totalisator gambling with duty imposed on casino gambling.

Proposed changes to the Gaming Duties Act 1971 provide that the rate of duty on totalisator gambling is 4% of betting profits, and the calculation of betting profits is equivalent to amounts bet less amounts paid out on winning bets.

New *clause 2(13)* provides the commencement date for the proposed changes.

New *clause 221B* replaces the definition of **winning dividend** in section 3 of the Gaming Duties Act 1971. A winning dividend is the amount actually paid out for a winning bet.

New *clause 221C* replaces section 4 of the Gaming Duties Act 1971. New section 4 provides that the rate of totalisator duty is 4%, and the calculation of the base for charging totalisator duty is the same as for casino duty.