



New South Wales

# Gaming Machine Tax Amendment (Promotional Prizes) Bill 2021

## Explanatory note

This explanatory note relates to this Bill as introduced into Parliament.

## Overview of Bill

The object of this Bill is to amend the *Gaming Machine Tax Act 2001* (the **GMT Act**) to make it clear that bets placed on gaming machines using promotional prizes are taxable.

Under the GMT Act, tax is payable on profits from gaming machines kept in a hotel or on the premises of a registered club. The Bill makes clear, and removes ambiguities about, the determination of profits for the purposes of the GMT Act.

## Outline of provisions

**Clause 1** sets out the name, also called the short title, of the proposed Act.

**Clause 2** provides for the commencement of the proposed Act on the date of assent to the proposed Act.

## Schedule 1      **Amendment of Gaming Machine Tax Act 2001 No 72**

**Schedule 1** amends the GMT Act to give effect to the object set out in the Overview.

**Schedule 1[1]** substitutes the definitions of *outgoings* and *revenue from a gaming machine*, which are used in the determination of profits for the purposes of gaming machine tax, and replaces certain other related terms and definitions.

**Schedule 1[2]** makes a consequential omission.

**Schedule 1[3]** inserts a savings and transitional provision into the GMT Act to extend the operation of the amendments made by the Bill to the commencement of the GMT Act and validate past tax returns made under the GMT Act.



New South Wales

# Gaming Machine Tax Amendment (Promotional Prizes) Bill 2021

## Contents

---

		Page
	1 Name of Act	2
	2 Commencement	2
<b>Schedule 1</b>	<b>Amendment of Gaming Machine Tax Act 2001 No 72</b>	<b>3</b>



New South Wales

# Gaming Machine Tax Amendment (Promotional Prizes) Bill 2021

No. , 2021

---

## A Bill for

An Act to amend the *Gaming Machine Tax Act 2001* to make it clear that bets placed on gaming machines using promotional prizes are taxable; and for other purposes.

---

**The Legislature of New South Wales enacts—**

1

**1 Name of Act**

2

This Act is the *Gaming Machine Tax Amendment (Promotional Prizes) Act 2021*.

3

**2 Commencement**

4

This Act commences on the date of assent to this Act.

5

<b>Schedule 1</b>	<b>Amendment of Gaming Machine Tax Act 2001 No 72</b>	1
		2
<b>[1] Section 3 Definitions</b>		3
	Omit the definitions of <i>cancelled credits payment</i> , <i>outgoings</i> , <i>progressive jackpot payment</i> and <i>revenue from a gaming machine</i> from section 3(1).	4
	Insert in alphabetical order—	5
	<i>outgoings</i> , in relation to a gaming machine, means—	6
	(a) winnings, or	7
	(b) progressive jackpot prizes, or	8
	(c) for a gaming machine that is a part of an authorised linked gaming system operating under the <i>Gaming Machines Act 2001</i> , Part 10—the amount that is deducted from the gaming machine to build a prize for the authorised linked gaming system.	9
	<i>progressive jackpot prize</i> means the amount to which a gaming machine player or other person is entitled to be paid—	10
	(a) for the achievement by the player, at the end of a play, of a combination of symbols designated, in the original design of the gaming machine, or in a subsequent modification approved by the Authority, as a progressive jackpot combination, or	11
	(b) on the happening of another event or contingency which the Authority approves, by written instrument, as being a due occasion for a progressive jackpot prize for the purposes of this definition.	12
	<i>promotional prize</i> has the same meaning as it has in the <i>Gaming Machines Act 2001</i> , section 45.	13
	<i>revenue from a gaming machine</i> means the total amount of bets made on a gaming machine by a player, including bets made using a promotional prize.	14
	<i>winnings</i> means the total amount of prizes won by and paid or awarded, or liable to be paid or awarded, to a player from playing a gaming machine, but does not include promotional prizes.	15
<b>[2] Section 3(2)</b>		16
	Omit the subsection.	17
<b>[3] Schedule 2 Savings and transitional provisions</b>		18
	Insert after Part 5—	19
<b>Part 6</b>	<b>Provision consequent on enactment of Gaming Machine Tax Amendment (Promotional Prizes) Act 2021</b>	20
		21
		22
<b>11 Application of amendments and validation of returns</b>		23
	(1) The amendments made to section 3 by the amending Act are taken to have commenced on the commencement of the principal Act.	24
	(2) To avoid doubt, a return lodged with the CMS licensee under section 8 before the commencement of the amending Act, or during the transitional period, is taken to have complied with the requirements of the principal Act, as amended by the amending Act, if the return complied with the requirements of the principal Act, as in force immediately before the commencement.	25

- (3) In this clause— 1
- amending Act** means the *Gaming Machine Tax Amendment (Promotional Prizes) Act 2021*. 2
- principal Act** means the *Gaming Machine Tax Act 2001*. 3
- transitional period** means the period— 4
- (a) beginning on the commencement of the amending Act, and 5
- (b) ending 3 months after the commencement. 6
- 7