

Passed by both Houses



New South Wales

# Betting Tax Legislation Amendment Bill 2015

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*I certify that this public bill, which originated in the Legislative Assembly, has finally passed the Legislative Council and the Legislative Assembly of New South Wales.*

*Clerk of the Legislative Assembly.  
Legislative Assembly,  
Sydney,*

*, 2015*



New South Wales

## **Betting Tax Legislation Amendment Bill 2015**

Act No      , 2015

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An Act to amend the *Betting Tax Act 2001* and *Totalizator Act 1997* to make provision for the reduction of the rates of betting tax payable by totalizator licensees and the payment of amounts to or on behalf of racing controlling bodies in connection with the reduction.

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*I have examined this bill and find it to correspond in all respects with the bill as finally passed by both Houses.*

*Assistant Speaker of the Legislative Assembly.*

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

**1 Name of Act**

This Act is the *Betting Tax Legislation Amendment Act 2015*.

**2 Commencement**

This Act is taken to have commenced on 1 July 2015.

## **Schedule 1 Amendment of Betting Tax Act 2001 No 43**

### **[1] Section 8 Betting tax on commission on totalizator betting**

Omit “19.11 per cent” from section 8 (2) (a). Insert instead “the relevant percentage”.

### **[2] Section 8 (2A)**

Insert after section 8 (2):

(2A) The relevant percentage is:

- (a) in respect of a totalizator conducted during the period commencing on 1 July 2015 and ending on 30 June 2016—16.2%, or
- (b) in respect of a totalizator conducted during the period commencing on 1 July 2016 and ending on 30 June 2018—13.5%, or
- (c) in respect of a totalizator conducted during the period commencing on 1 July 2018 and ending on 30 June 2019—12.17%, or
- (d) in respect of a totalizator conducted during the period commencing on 1 July 2019 and ending on 30 June 2020—10.7%, or
- (e) in respect of a totalizator conducted on or after 1 July 2020—7.6%.

### **[3] Section 9 Betting tax on totalizator roundings**

Omit “19.11 per cent” from section 9 (2). Insert instead “the relevant percentage”.

### **[4] Section 9 (2A)**

Insert after section 9 (2):

(2A) The relevant percentage is:

- (a) in respect of a totalizator conducted during the period commencing on 1 July 2015 and ending on 30 June 2016—16.2%, or
- (b) in respect of a totalizator conducted during the period commencing on 1 July 2016 and ending on 30 June 2018—13.5%, or
- (c) in respect of a totalizator conducted during the period commencing on 1 July 2018 and ending on 30 June 2019—12.17%, or
- (d) in respect of a totalizator conducted during the period commencing on 1 July 2019 and ending on 30 June 2020—10.7%, or
- (e) in respect of a totalizator conducted on or after 1 July 2020—7.6%

### **[5] Section 10 Betting tax on approved betting activities**

Omit “10.91 per cent” from section 10 (2). Insert instead “the relevant percentage”.

### **[6] Section 10 (2A)**

Insert after section 10 (2):

(2A) The relevant percentage is:

- (a) in respect of an approved betting activity (other than a computer simulated racing event betting activity) conducted:
  - (i) during the period commencing on 1 July 2015 and ending on 30 June 2016—9.2%, or
  - (ii) during the period commencing on 1 July 2016 and ending on 30 June 2018—7.43%, or

- (iii) during the period commencing on 1 July 2018 and ending on 30 June 2019—6.6%, or
  - (iv) during the period commencing on 1 July 2019 and ending on 30 June 2020—5.8%, or
  - (v) on or after 1 July 2020—4.38%, or
- (b) in respect of a computer simulated racing event betting activity—10.91%.

**[7] Section 10 (5)**

Omit the definition of *computer simulated racing event bet*. Insert instead:

*computer simulated racing event bet* means a bet in respect of a computer simulated racing event betting activity.

*computer simulated racing event betting activity* means an approved betting activity conducted on a computer simulated horse racing, harness racing or greyhound racing event.

## Schedule 2 Amendment of Totalizator Act 1997 No 45

### [1] Section 68A

Insert before section 69:

#### 68A Definition

In this Part, *Fund* means the Tax Reduction Trust Fund established by this Part.

### [2] Sections 70–70B

Insert after section 69:

#### 70 Payment of tax reduction amount

- (1) Within 7 days after the end of each quarter, TAB Limited must pay in respect of each controlling body an amount equal to the percentage of the tax reduction amount (for the quarter) prescribed by the regulations in respect of the controlling body.
- (2) The *tax reduction amount*, in respect of a quarter, is an amount equal to the difference between each of the following amounts:
  - (a) the total amount of betting tax payable by TAB Limited under sections 8–10 of the *Betting Tax Act 2001* in respect of the quarter,
  - (b) the total amount of betting tax that would have been payable by TAB Limited under those sections in respect of the quarter had the tax rate amendments not been made.
- (3) A payment under subsection (1):
  - (a) in respect of Racing New South Wales or Harness Racing New South Wales, must be made directly to the controlling body concerned, or
  - (b) in respect of Greyhound Racing New South Wales, must be paid into the Fund.
- (4) The regulations may authorise a payment in respect of Greyhound Racing New South Wales to be made otherwise than in accordance with subsection (3) (b) in the event of a winding-up of the Fund.
- (5) For the purposes of calculating the Wagering Incentive Fee under the Racing Distribution Agreement in respect of any period commencing on or after 1 July 2015, the NSW Taxes payable in respect of the period are taken to be the NSW Taxes that would have been payable in respect of the period had the tax rate amendments not been made.
- (6) This section has effect for all purposes as if the Racing Distribution Agreement had been amended to the extent necessary to give effect to this section by the agreement of the parties to the Racing Distribution Agreement.
- (7) This section does not limit or otherwise affect the ability of the parties to the Racing Distribution Agreement to agree to make changes to the agreement.
- (8) In this section:

*NSW Taxes* has the same meaning as in the Racing Distribution Agreement.

*quarter* means the 3-month period commencing on 1 January, 1 April, 1 July or 1 October in each year.

*Racing Distribution Agreement* means the agreement titled “Racing Distribution Agreement” dated 11 December 1997 between the Totalizator

Agency Board, NSW Racing Pty Limited, the NSW Thoroughbred Racing Board, Harness Racing New South Wales and the Greyhound Racing Authority (NSW), as amended or substituted from time to time.

**tax rate amendments** means the amendments made to sections 8–10 of the *Betting Tax Act 2001* by the *Betting Tax Legislation Amendment Act 2015*.

**Wagering Incentive Fee** means the amount that is payable by TAB to NSW Racing Pty Limited as the Wagering Incentive Fee under the Racing Distribution Agreement.

#### **70A Tax Reduction Trust Fund**

- (1) There is established by this Act a fund called the Tax Reduction Trust Fund.
- (2) The following amounts are to be paid into the Fund, subject to any requirements specified in the regulations:
  - (a) any amount required to be paid into the Fund under section 70,
  - (b) the proceeds of investment of money in the Fund,
  - (c) such other amounts as are payable to the Fund under this Act or the regulations.
- (3) The following amounts may be paid out of the Fund, subject to any requirements specified in the regulations:
  - (a) such amounts as the Minister directs to be paid from the Fund to Greyhound Racing New South Wales,
  - (b) such other amounts as are authorised to be paid out of the Fund by this Act or the regulations.

#### **70B Management and control of Fund**

- (1) The Secretary is to manage and control the Fund in accordance with this Act and the regulations.
- (2) The Secretary:
  - (a) is to act as trustee of money vested in the Fund, and
  - (b) is to invest the money vested in the Fund not immediately required for the purposes for which it is to be applied in the same way as trustees may invest funds under the *Trustee Act 1925*, subject to any requirements specified in the regulations, and
  - (c) may make payments from the Fund as authorised by this Act and the regulations.
- (3) The Secretary has such other functions in relation to the management and control of the Fund as may be conferred on the Secretary by the regulations.
- (4) The Secretary may do all things necessary or convenient to be done in connection with the exercise of the Secretary's functions.
- (5) The regulations may make further provision with respect to the Fund, including by providing for the following:
  - (a) the investment of the money vested in the Fund,
  - (b) the obligation of the Secretary to report to the Minister on the exercise of the Secretary's functions under this section,
  - (c) the winding up of the Fund.
- (6) In this section, **Secretary** means the Secretary of the Department of Justice.

**[3] Schedule 2 Savings, transitional and other provisions**

Insert at the end of the Schedule:

**Part 7 Provisions consequent on enactment of Betting Tax Legislation Amendment Act 2015**

**22 Definition**

In this Part, *amending Act* means the *Betting Tax Legislation Amendment Act 2015*.

**23 Savings and transitional provisions**

- (1) Clause 1 (3) of Part 1 of this Schedule does not limit the operation of regulations made under that Part containing provisions of a savings or transitional nature consequent on the enactment of the amending Act.
- (2) Any provision of regulations made under Part 1 of this Schedule consequent on the enactment of the amending Act has effect, if the regulations so provide, despite any other provision of this Part.

**24 Payment of tax reduction amount**

The requirement of section 70 (1) (as inserted by the amending Act) for an amount to be paid within 7 days after the end of a quarter, to the extent that the requirement applies in respect of the quarter ending on 30 September 2015, is to be read as a requirement for that amount to be so paid before 7 January 2016.

## **Schedule 3      Amendment of Totalizator Regulation 2012**

### **Clause 15A**

Insert after clause 15:

#### **15A      Apportionment of tax reduction amount**

For the purposes of section 70 of the Act, the following percentages of the tax reduction amount are prescribed:

- (a) in respect of Racing New South Wales—77.3%,
- (b) in respect of Harness Racing New South Wales—12.7%,
- (c) in respect of Greyhound Racing New South Wales—10%.