

6 May 2021

## Supplementary forecast information release

### Betting and gaming duties: detailed breakdown

- 1.1 The OBR is releasing this information following a request for further detail on information presented in our March 2021 *Economic and fiscal outlook (EFO)* in respect of the breakdown of our betting and gaming duties forecast. We will, as far as possible, meet any requests to release supplementary forecast information where this will improve the quality of public debate on the public finances. Our full release policy is available on our website.
- 1.2 Betting and gaming duties are levied either on operators' gross profits (total stakes received less prizes paid out) or on total stakes across several different gambling regimes. Our betting and gaming duty receipts forecasts are produced using simple econometric models for each duty. These models typically relate receipts growth to our forecasts for overall nominal consumption and/or economic growth.
- 1.3 Supplementary Table 2.1 of our March 2021 *EFO* presented our aggregate forecast for betting and gaming duties receipts. Table 1.1 below details the breakdown by regime:
- **Lottery duty** is charged on taking a chance or ticket in the UK National Lottery. The duty liable is a fixed proportion of total ticket sales. All lawful lotteries are exempt from the duty except the National Lottery. It is also payable on scratch cards and UK sales of Euromillions. Lottery duty raised £968 million (32 per cent of the cash total) in 2019-20 – the largest individual line of the betting and gaming duties forecast.
  - **Remote gaming duty (RGD)** is charged on gaming provider profits from remote gaming (for instance, games played online). This includes the profits from any 'free plays' the provider offers (these include any offers to gamble at zero or reduced rates, such as free games, introductory bonuses or matched deposits). The duty paid is a fixed rate of the provider's profits. RGD raised £706 million (23.4 per cent of the cash total) in 2019-20.
  - **General betting duty (GBD)** is charged on bookmakers' profits for 'general bets', which include sports betting and bets on horse or dog racing, and their profits for spread bets, but exclude on-course betting. The duty paid depends on the type of bet and where it is made. In 2019-20 it raised £586 million (19.4 per cent of the total).
  - **Machine games duty (MGD)** is charged on the playing of machine games that pay out cash prizes. These include slot, fruit and quiz machines, as well as fixed-odds betting terminals. The duty paid depends on how much it costs to play a game, and the size of the potential prize. MGD is not payable on machine games that offer only non-cash prizes or where the cost of playing is greater than any cash prize. It was introduced in early 2013 and replaced the amusement machine licence duty (AMLD). MGD raised £510 million (16.9 per cent of the cash total) in 2019-20.

- **Gaming duty** is charged on the gross gaming profits of UK-based casinos. The duty paid follows a banded structure, so more profitable casinos pay proportionately higher rates. It raised £213 million (7.1 per cent of the cash total) in 2019-20.
- **Bingo duty** is charged at a fixed rate on the gross profits of the bingo promoter. All bingo games played in the UK are liable, except domestic bingo, small-scale bingo, non-profit bingo and bingo played on machines liable to MGD, which are all exempt. Bingo duty raised £31 million (1 per cent of the cash total) in 2019-20.
- **Pool betting duty** (PBD) is charged on bookmakers' profits for bets where winners have a share in a pool of a stake of money. PBD is paid at a fixed rate and raised just £6 million (0.2 per cent of the cash total) in 2019-20.

Table 1.1: Betting and gaming duties forecast breakdown

	£ million					
	Forecast					
	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26
<b>Betting and gaming duties</b>	<b>2,859</b>	<b>3,139</b>	<b>3,401</b>	<b>3,477</b>	<b>3,565</b>	<b>3,657</b>
<i>of which:</i>						
Lottery duty	961	996	1,048	1,050	1,078	1,089
Remote gaming duty	860	935	962	1,035	1,071	1,140
General betting duty	619	648	693	686	698	693
Machine games duty	318	394	468	484	498	519
Gaming duty	86	142	193	185	183	178
Bingo duty	8	16	30	29	30	30
Pool betting duty	7	8	8	8	8	8