

EXPLANATORY MEMORANDUM TO
THE AMUSEMENT MACHINE LICENCE DUTY, ETC (AMENDMENTS)
REGULATIONS 2008

2008 No. 2693

1. This explanatory memorandum has been prepared by HM Revenue & Customs (HMRC) and is laid before the House of Commons by Command of Her Majesty.

2. Description

2.1 The instrument provides that multiple amusement machine licences need only be combined in a single document if their expiry dates and holder are the same, the premises to which they relate is the same, each of them authorises only one machine, none of them is a special licence (i.e. one that relates to machines rather than premises) or a seasonal licence (in essence, a licence for only 6 months beginning on 1 April), at least one of them was granted for 12 months, and at least one of them was first granted on 1 November 2008 or later.

2.2 Unrelated to that, the size of a tax return error that a business may correct itself irrespective of its turnover is rounded up to the next, whole £1 (for insurance premium tax, landfill tax, climate change levy and aggregates levy).

3. Matters of special interest to the Select Committee on Statutory Instruments

None

4. Legislative Background

4.1 Applications for amusement machine licences must be made to HMRC.

(The Betting and Gaming Duties Act 1981 (c. 63) Schedule 4 paragraph 6, substituted by the Finance Act 1994 (c. 9) Schedule 3 paragraphs 1(1) and 1(7), and later amended by the Finance Act 1995 (c. 4) Schedule 3 paragraphs 1 and 11(1).)

4.2 Regulation 3 of the instrument inserts the new rules about multiple licences into the Amusement Machine Licence Duty Regulations 1995 (S.I. 1995/2631) - as a new regulation 5 - so that HMRC need only combine multiple licences in a single document when those rules are met (see paragraph 2.1 above).

4.3 As a consequence, regulation 2 of the instrument relaxes the rule (in regulation 3 of S.I. 1995/2631) that a licence must always be displayed in a prominent position in the premises to which it relates. This amendment only covers times when the licence is with, or in transit to or from, HMRC (for example, when surrendering one of the other licences in the single document).

4.4 Errors in returns for insurance premium tax, landfill tax, climate change levy and aggregates levy are allowed to be corrected by the business itself, within limits. Regulation 4 of the instrument rounds up to the next, whole £1 the limit (which will now be £10,000) for any business, irrespective of its turnover.

(It amends regulation 13(3) of the Insurance Premium Tax Regulations 1994 (S.I. 1994/1774), regulation 13(4) of the Landfill Tax Regulations 1996 (S.I. 1996/1527), regulation 28(4A) of the Climate Change Levy (General) Regulations 2001 (S.I. 2001/838), and regulation 29(6) of the Aggregates Levy (General) Regulations 2002 (S.I. 2002/761).)

5. Territorial Extent and Application

This instrument applies to all of the United Kingdom.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 No amusement machine may be provided for play on any premises in the United Kingdom unless an amusement machine licence is in force. The licence may be surrendered in return for a repayment of duty for any unused, whole months.

7.2 Where a licence authorises the use of more than one machine and a repayment of duty is sought in relation to any of those machines that are being removed from the premises, a repayment can only be granted if the licence is surrendered in total. The holder must then obtain a new licence for the remaining machines.

7.3 Regulation 3 of the instrument envisages the grant of a number of individual licences, each for the same premises, on a single licensing document. Where any machines are no longer required and a repayment of duty is sought, only those relevant licences will need to be surrendered. The other licences will remain in force.

7.4 These changes have been made as a result of informal consultations with the gaming machine industry in 2006 to identify any issues that might be addressed.

7.5 HMRC Notice 454: Amusement Machine Licence Duty will be updated to reflect this.

7.6 The rounding exercise for insurance premium tax, etc are minor corrections only.

8. Impact

8.1 A full and final Impact Assessment has not been prepared for this instrument as it has no impact on business, charities or voluntary bodies.

8.2 The impact on the public sector is negligible.

9. Contact

Brian O’Kane (amusement machines) or John Young (returns) at HM Revenue & Customs Tel: 0161 827 0325 or 0151 703 8478 respectively or e-mail: brian.okane@hmrc.gsi.gov.uk or john.young@hmrc.gsi.gov.uk can answer any queries regarding the instrument.