

RUSSELL CORPORATE ADVISORY NEWSLETTER

Gaming Machine Tax Deferral

You would no doubt be aware that Gaming Machine Tax for the quarters ended 28 February 2020 and 31 May 2020 have been deferred to 1 September 2020. Gaming Machine Tax for the current quarter and beyond are due to be remitted, as per usual, via direct debit on or about the 21st day of the month after each quarter's end. Clubs will need to make arrangements with Liquor and Gaming NSW or Revenue NSW as to the remittance of Gaming Machine Tax due in respect of the period to 31 May 2020.

However, given that the Gaming Machine Tax year ends on 31 August 2020 there may be some movement in the annual gaming profit threshold that may change the rate of gaming duty applicable to your club. Clubs can apply after that date for an annual adjustment which may result in a reduction of the total amount due to Revenue NSW.

For example, nil tax will be due for the year if your Club's total annual gaming machine profit is under \$1,000,000 and this may result in a refund of any taxes remitted to date in respect of the current year (e.g instalment remitted for the quarter ended 30 November 2019).

To assist with the process, we recommend that you forecast your Club's gaming machine revenue for the year ending 31 August 2020 and calculate estimated Gaming Machine Tax thereon, having regard to the annual rates (marginal) as published by LGNSW below:-

Annual gaming machine profit	% of the profit to be paid
Less than \$1m	0%
\$1m - \$1.8m	29.9%
\$1.8m - \$5m	19.9%
\$5m - \$10m	24.4%
\$10m - \$20m	26.4%
Over \$20m	28.4%

Table Source: LGNSW

From your Gaming Machine Tax estimated for the current year as per above, deduct instalments paid in respect of the current tax year to arrive at the estimated balance due for the year. If you have concerns over your Club's ability to remit the balance of Gaming Machine Tax for the current year ending 31 August 2020 we suggest that you apply to Liquor and Gaming NSW and Revenue NSW to arrange a further deferral or instalment payment plan to remit the estimated balance of Gaming Machine Tax for the current year.

Financial hardship has taken on an entirely new meaning for many Clubs. We hope that you have been able to obtain assistance where sought. Please contact us if you require assistance with estimating your Club's Gaming Machine Tax liability for the year or if you require assistance with an application to further defer accrued Gaming Machine Tax.

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