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## VAT treatment of gaming, gaming machines and amusement machines

This document should be read in conjunction with s. 46(a) and paragraph 8 (3)(c) and (d) of Schedule 3 to the VAT Consolidation Act, 2010.

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### Table of Contents

Introduction .....	2
1 Gaming, gaming machines and amusement machines.....	2
1.1 Gaming services.....	2
1.2 Gaming machines and amusement machines .....	2
2 VAT rate for gaming, gaming machines and amusement machines .....	3
3 Taxable amount .....	3
4 Share of takings from gaming machines and amusement machines.....	4
5 Hiring of gaming machines and amusement machines .....	4

## Introduction

This guidance sets out the VAT treatment of gaming, gaming machines, and amusement machines. Guidance on the [VAT treatment of e-gaming services](#)<sup>1</sup> is covered in the VAT Tax and Duty manual.

The [VAT treatment of betting, remote betting services and lotteries](#) is dealt with separately in the VAT Tax & Duty manual.

## 1 Gaming, gaming machines and amusement machines

### 1.1 Gaming services

"**Gaming**" means playing a game (whether of skill or chance or partly of skill and partly of chance) for stakes placed by the players.<sup>2</sup> A "stake" includes any payment for the right to take part in a game and any other form of payment required to be made as a condition of taking part in the game but does not include a payment made solely for facilities provided for the playing of the game.

Examples of gaming include poker and roulette table games which may be made available in a casino.

### 1.2 Gaming machines and amusement machines

In general terms, gaming and amusement involves an activity where a machine that is designed for gaming or amusement is operated.

Gaming and amusement machines are played for reward or amusement and are generally operated by the insertion of a coin or token. The outcome from the playing of a gaming machine or an amusement machine is determined by the action of the machine, whether or not provision is made for physical manipulation of the machine by the player.<sup>3</sup>

A **gaming machine**<sup>4</sup> affords the player an opportunity to play again or to obtain a monetary prize of any value. Examples of gaming machines include:

- poker machines
- one arm bandits
- electronic fruit machines.

An **amusement machine**<sup>5</sup> affords the player an opportunity to play again or to obtain a non - monetary prize, which if available for purchase would not normally exceed €7 in value.

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<sup>1</sup> eGaming refers to gaming services provided over the internet or an electronic network.

<sup>2</sup> Section 2 of the Gaming and Lotteries Act 1956.

<sup>3</sup> Section 43(2)(a)(iii) of the Finance Act 1975

<sup>4</sup> Section 43(2)(a) of the Finance Act 1975

<sup>5</sup> Section 120(2) of the Finance Act 1992

Examples of amusement machines include novelty toy crane machines and pin ball machines.

There are specific excise licensing [requirements](#) for operators of gaming and amusement machines.

Further information on the excise rules for [gaming machines](#) and [amusement machines](#) is available on Revenue's website and in the [Gaming and Amusement Licences Compliance Procedures Manual](#).

## 2 VAT rate for gaming, gaming machines and amusement machines

The standard rate of VAT applies to gaming services and to playing gaming machines and amusement machines.

## 3 Taxable amount

For VAT purposes, the taxable amount in respect of the supplies of services is everything which constitutes the consideration which has been or is to be obtained by the supplier from the customer or a third party for that supply. It does not include discounts or rebates allowed to the customer and accounted for at the time of the supply.<sup>6</sup>

For gaming, the taxable amount is the consideration which is actually received by the supplier in return for playing the game or the machines. This amount only consists of the proportion of the stakes which the supplier can actually take for themselves (i.e. the income or net receipts from these activities). The income is regarded as VAT inclusive.

The taxable amount is calculated as the amounts staked minus the winnings or if the prizes are goods, their cost (excluding VAT).

### Example

A game involves 10 players who place a stake of €10 each. At the end of the game, one player wins €50 in cash. The taxable amount (VAT exclusive) and the VAT due for the game is calculated as follows:

Taxable amount = Amounts staked – Winnings

Taxable amount = (10 x €10) – 50

Taxable amount = €50 (VAT inclusive)

VAT = €50 x 23% / 123%

VAT = €9.35

Taxable amount (VAT exclusive) = €40.65

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<sup>6</sup> Case C-38/93 H.J. Glawe Spiel- und Unterhaltungsgerate Aufstellungsgesellschaft mbH&Co. KG and Finanzamt Hamburg-Barmbek-Uhlenhorst.

## 4 Share of takings from gaming machines and amusement machines

When owners leave their machines on a premises, on a share of takings basis, the owner of the machines is liable to VAT on the total income from these machines. This applies regardless if there is an agreement between the machine owner and the premise owner to split the profits, e.g. on a 50 / 50 basis. The share payable to the premises owner is consideration for a separate service supplied by the premises owner to the owner of the machine.

## 5 Hiring of gaming machines and amusement machines

Income received from the hiring out or leasing out of a gaming machines or amusement machines is subject to VAT at the standard rate.