

# Western Cape to raise casino taxes

The Western Cape provincial government has tabled legislation that proposes an increase of the tax on casinos operating in the province.



The provincial government says the additional taxation that will accrue from the proposed amendment will add R25m a year to the provincial revenue fund.

The Western Cape has five casinos, the biggest being Grand West in Cape Town. The other four are in Saldanha, Caledon, Mossel Bay and Worcester.

The five casinos in the province generated about R2bn in gross revenue during the 2011-12 financial year. Levies paid to the government in that year totalled R275m.

The provincial government said last week that the Western Cape's 18th Gambling and Racing Amendment Bill sought to increase the tax payable by the holders of casino operator licences by a two- percentage-point flat-tax rate on each of the six tax bands.

The amendment proposes increases to both the amount of tax and the percentage of the taxable revenue payable.

The amendment bill follows the tabling for public comment of two drafts last year.

Comments on the draft amendments were received from a number of stakeholders, mostly from the casino operators.

The Western Cape Treasury decided to split the issues of the relocation of one of the casinos to the metropolitan area and taxes, into separate processes.

Western Cape finance MEC Alan Winde said on Monday (11 March) public comment had shaped the new legislation. "We have decided to abandon previous legislation due to public comments we received.

"We have paid due regard to the concerns raised by members of the public. This is money that will be used to improve service delivery to the citizens of our province. This proposed flat tax is in effect a sin tax on casinos operating in our province."

A PwC report says gaming taxes and levies are forecast to increase at an 8.6% compound annual rate to R2.8bn in 2016.

Source: *Business Day* via I-Net Bridge

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