



12 March 2014

The Rt. Hon. George Osborne MP  
Chancellor of the Exchequer  
HM Treasury, Horse Guards Road, London SW1A 2HQ

Dear Chancellor

**The Bingo Association's Budget recommendations to support growth and investment in the bingo industry**

The Bingo Association represents 90% of licensed retail bingo clubs in the UK. We promote the interests of our members and the welfare of the industry as a whole. Bingo is a unique part of the gambling industry as it is a social leisure activity firmly at the 'soft' end of the spectrum of gambling.

Despite this, bingo faces a total tax burden that is greater than most other gambling activities. While most other gambling pursuits are taxed at 15%, bingo has been subjected to Gross Profits Tax (GPT) of 20%, and bingo clubs are unable to reclaim VAT on the costs of investment and refurbishment.

The current level of taxation on bingo, including the increased levels of irrecoverable VAT, is preventing further investment in the industry, and has a disproportionate impact on smaller community and independent bingo clubs which are in decline due to the punitive tax regime.

EY studies forecast that a reduction in the total tax burden on the bingo industry would result in greater tax revenues for HM Treasury as a result of increased bingo play, refurbishment and purchase of additional machines.

With this information in mind, The Bingo Association launched the Boost Bingo campaign in January 2014, with the aim of raising awareness of the unfair tax on bingo and the need to reduce bingo duty from 20% to 15% to promote investment and jobs within the industry. The campaign has since received overwhelming support, not only from over 400 bingo clubs around the country and their customers, but also from the general public. So far, a petition to reduce bingo duty from 20% to 15% has received **339,218 signatures**, and the number is still rising, reflecting the importance of bingo to hundreds of thousands of ordinary Britons.

The following pages set out the detail of our recommendations to help the Government support growth and improve business confidence to invest in the bingo industry.

I look forward to the opportunity to discuss our recommendations with you in more detail.

Yours sincerely

Miles Baron,  
Chief Executive





March 2014

**Submission:**

**Budget 2014**

A submission from The Bingo Association



## Bingo Duty: the case for lower taxation

The Bingo Association represents 90% of licensed retail bingo clubs in the UK and is calling on the Government to reduce the tax burden on Bingo. Bingo is a social activity that is at the heart of British culture and local communities across Great Britain.<sup>1</sup>

### Bingo: the facts

- 43 million visits to Bingo clubs in 2012
- 12,500 people directly employed by the sector
- Almost 400 retail Bingo clubs
- £200 million in tax revenue generated for the Government

### The problem

While most other gambling pursuits are taxed at 15%, Bingo has been subjected to Gross Profits Tax (GPT) of 20% since 2009, despite being recognised as a soft form of gaming. Furthermore, Bingo clubs are unable to reclaim VAT on the costs of investment and refurbishment, which is driving up costs even higher. Cumulatively, the impact is stifling the industry – investment has stalled and Bingo clubs are now closing at a rate of one per month, with more than 1000 jobs lost since 2012.

### EY research

“The current system of bingo duty, with no VAT recoverable on costs, is equivalent to the industry paying VAT at 32%. Significantly more than retailers and other businesses on the high street.”

**October 2013**

### The solution

If the Government acts now, this decline could quickly be reversed across the country. By lowering GPT to 15%, the Treasury would give the industry the stimulus it needs to invest in people, premises and product. The two largest Bingo Association members have already committed to significant investment should bingo duty be reduced.

### The Boost Bingo campaign

The Bingo Association launched Boost Bingo campaign in January 2014, with the aim of raising awareness of the unfair tax on bingo and the need to reduce bingo duty from 20% to 15% to promote investment and jobs within the industry. The campaign launch was attended by 51 MPs from across the country who visited their local bingo club to show support for an activity that is important to many of their constituents. The Boost Bingo campaign has since received overwhelming support, not only from over 400 bingo clubs around the country and their customers, but also from the general public. So far, a petition to reduce bingo duty from 20% to 15% has

<sup>1</sup> [http://www.respublica.org.uk/documents/yeo\\_ClubbingTogether.pdf](http://www.respublica.org.uk/documents/yeo_ClubbingTogether.pdf)



received 339,218 signatures, and the number is still rising. On 26<sup>th</sup> March 2014, bingo customers from across the country and their MPs met outside the Houses of Parliament to celebrate bingo and hand in the hundreds of thousands of petitions to number 11 Downing Street. The Boost Bingo campaign and its high profile reflects the importance of bingo to ordinary Britons.





## Impact on Exchequer Revenues of GPT reduction

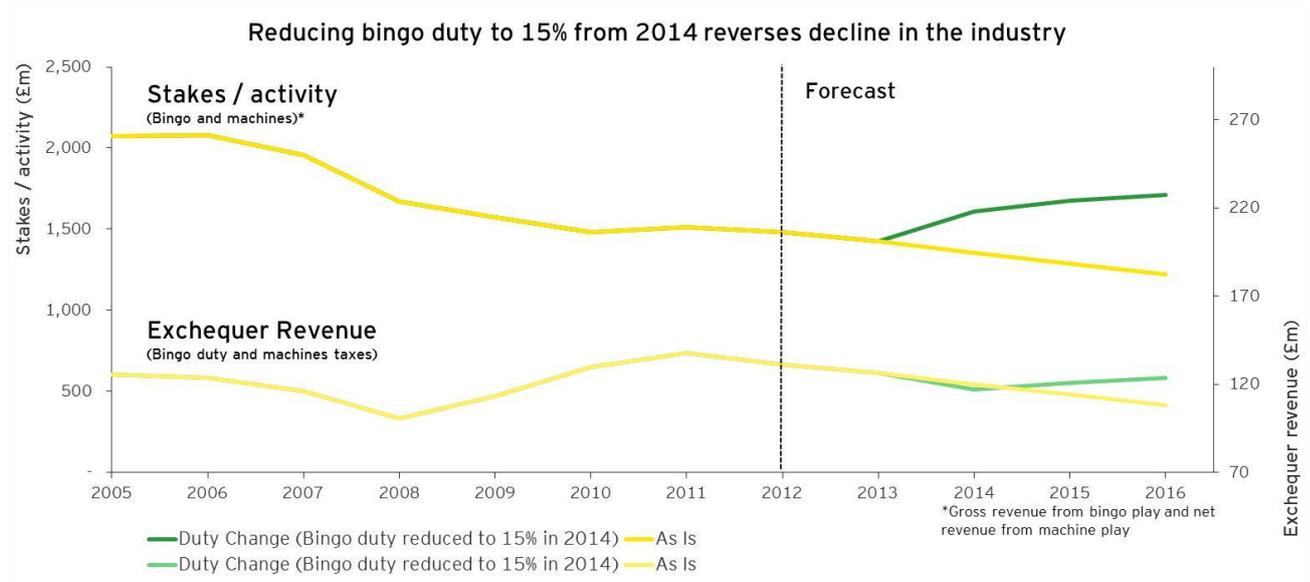
Studies by EY show that the likely impact of a reduction in GPT would be an increase in visits and revenue as new clubs open and existing ones are refurbished. This would ultimately deliver increased total tax revenue for the Treasury, offsetting the cost of any cut.

## Impact on communities

As stated in The Portas Review, Bingo is a 'brilliant way to bring people together' and at a time when communities are becoming increasingly fragmented, we need your help to back Bingo - to keep existing clubs alive and create the environment for new clubs to flourish.

**House of Commons Culture, Media and Sport Committee:**  
 "We recognise that the Bingo sector remains highly taxed in comparison with other sectors despite its status as one of the softest forms of gambling."  
**July 2012**

## Impact of a Bingo Duty reduction to 15% from 2014



- This chart illustrates how the industry is expected to respond to a cut in bingo duty from 20% to 15% in 2014 compared against what is expected to happen in the absence of this change.
- It shows how the bingo duty cut is expected to drive additional bingo play and additional machine play in bingo halls, in turn generating additional Exchequer revenues. Overall the bingo duty cut is expected to raise around £40m for the Exchequer over four years