

VAT Treatment of Bingo
The Rank Group Plc (20688)

HMRC had refused a claim from a Group which included a gaming company that operated mechanised cash bingo. This particular type of bingo is covered under different sections of the Gaming Act to other forms of bingo depending on the size of stake and price. In HMRC's view, under one section games were exempt whereas under the other games such as interval bingo, which are smaller games played in licensed bingo clubs during breaks in the main session were subject to VAT.

The appeal submitted by the group was based on their opinion that the different VAT treatment for similar supplies was contrary to fiscal neutrality (the EU concept of avoiding undesirable distortions). The Tribunal chairman ruled in favour of the taxpayer. He indicated that when the limitations to VAT exemption for Gambling were laid down, member states had to comply with the principle of fiscal neutrality which precluded different treatment of similar supplies and would be incompatible with community law.

Implications

Taxpayers who have made similar supplies should ensure that they submit claims for the overpaid VAT. These claims should be made as soon as possible to avoid falling foul of time-limits on retrospective reclaims. Claims may also be made for all periods prior to 4 December 1996 under the transition arrangements in the 2008 Budget.