

Discriminatory VAT treatment – Slot machines
Rank Group plc [2009] EWHC (Ch) 1244

The High Court has dismissed HMRC's appeals against the Tribunal decisions in these cases, which concern the VAT treatment of "mechanised cash bingo" and slot machines. In relation to both appeals, the High Court upheld the Tribunal's decision that applying VAT to certain machines but not to other, comparable, machines was unlawful. The principle of fiscal neutrality required that, once exemption is applied to a certain type of machine, it should apply to all comparable machines in order to avoid distortions of competition.

Comment

This decision is of importance to all businesses operating in the gaming sector, as well as being of wider significance to all businesses which suffer from a disparity in VAT treatment that may be unlawful.

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