Fiscally Responsible

The case for reforming Remote Gaming Duty

James Noyes
Aveek Bhattacharya
Gideon Salutin

SMF
Social Market Foundation

Fiscally Responsible

The case for reforming Remote Gaming Duty

James Noyes
Aveek Bhattacharya
Gideon Salutin

FIRST PUBLISHED BY

The Social Market Foundation, October 2024
Third Floor, 5-6 St Matthew Street, London, SW1P 2JT
Copyright © The Social Market Foundation, 2024

The moral right of the author(s) has been asserted. All rights reserved. Without limiting the rights under copyright reserved above, no part of this publication may be reproduced, stored or introduced into a retrieval system, or transmitted, in any form or by any means (electronic, mechanical, photocopying, recording, or otherwise), without the prior written permission of both the copyright owner and the publisher of this book.

THE SOCIAL MARKET FOUNDATION

The Foundation's main activity is to commission and publish original papers by independent academics and other experts on key topics in the economic and social fields, with a view to stimulating public discussion on the performance of markets and the social framework within which they operate. The Foundation is a registered charity (1000971) and a company limited by guarantee. It is independent of any political party or group and is funded predominantly through sponsorship of research and public policy debates. The views expressed in this publication are those of the authors, and these do not necessarily reflect the views of the Social Market Foundation.

CHAIR

Professor Wendy Thomson CBE

DIRECTOR

Theo Bertram

TRUSTEES

Professor Tim Bale
Tom Ebbutt
Caroline Escott
Baroness Olly Grender MBE
Sir Trevor Phillips OBE
Melville Rodrigues

CONTENTS

About the Authors 4
Executive Summary 5
Chapter One – Context: The government needs to raise revenue and consideration of gambling taxation is long overdue 8
- Higher tax on remote casino could help the new government reconcile its objectives 8
- A review of gambling tax is long overdue 9
- The public supports increasing taxes on online gambling 10

Chapter Two – Four reasons why remote gambling is under-taxed 13
- It is currently exempt from VAT 13
- Gambling related harm imposes social, economic and fiscal costs – and these costs are greater for online casino games 14
- Offshore operators avoid UK corporation tax 19
- British rates are modest by international comparison 21

Chapter Three – Remote Gaming Duty can be raised without negative economic consequence 24
- Increases in remote gambling tax have limited effect on sector viability 24
- Any fall in gambling consumption would be offset by spending on other goods and services 25

Chapter Four – Recommendations 28
- Remote Gaming Duty should be doubled in this year's Budget 28
- A full review of gambling taxation should be conducted by the time of the 2025 Budget 29

Endnotes 31

ABOUT THE AUTHORS

James Noyes

Dr James Noyes is a Senior Fellow of the Social Market Foundation. He previously helped lead the Labour Party's policy agenda on gambling reform and is the author of several reports on the topic.

Aveek Bhattacharya

Dr Aveek Bhattacharya is Research Director of the SMF, having joined as Chief Economist in September 2020, and served as Interim Director between 2023 and 2024. Previously, he was Senior Policy Analyst at the Institute of Alcohol Studies, researching and advocating for policies to reduce alcohol-related harm. He has also worked for OC&C Strategy Consultants, advising clients across a range of sectors including retail, consumer goods, software and services.

Aveek was an adviser to the Gordon Brown Commission on the UK's Future, and is a trustee of the David Hume Institute.

Gideon Salutin

Gideon is a senior researcher at SMF. He joined the research team in August 2022 having previously worked as a policy researcher and writer. His research portfolio focuses on environmental policy, poverty, and inequality.

Prior to joining the SMF, Gideon worked for the International Development Research Centre reviewing development in the Global South, and before that researched policy for the Max Bell School of Public Policy and le Centre International pour la Prévention de la Criminalité.

EXECUTIVE SUMMARY

This report lays out the case for raising tax on online casino operators active in Great Britain. As we have argued in previous reports, a review of online gambling taxation is long overdue, despite previous governments pledging – and failing – to carry one out. There is an opportunity for the new government, faced with a £22 billion fiscal "black hole", to raise revenue from online casino gambling, restructuring outdated tax structures so that they are fit for the digital age and addressing the costs of harm created by the sector.

Online gambling is the most lucrative type of "remote gambling" (defined by the government as "gambling offered over the internet, telephone, TV and radio").[1] It falls into two categories: remote casino gaming, which is taxed at 21% through Remote Gaming Duty (RGD); and remote betting, which is taxed at 15% through General Betting Duty (GBD), applied to both online and land-based betting.

In this paper, we argue that Remote Gaming Duty should be increased from its current rate of 21% to a new rate of at least 42%. This would better reflect the social and economic impact of a sector that has grown substantially in recent years, and is more closely associated with harm than other forms of gambling. The market for remote casino games grew by 71% between 2016 and 2023, and by £800 million over the course of the pandemic.[2] Online slots players are six times more likely to be classified as problem gamblers than the typical gambler.[i,3]

This new rate could bring in as much as £900 million to the Exchequer. The government will struggle to find a more popular way to raise money. New polling conducted by Survation for this report shows that over half of people (52%) believe the government should increase tax on online gambling, compared to 19% who feel it should remain the same and 11% who would see it decreased. A majority of the supporters of every major political party, including both Leave and Remain voters in the EU referendum, are in favour of higher taxes on online gambling. When asked to prioritise between different taxes that could go up, respondents put gambling tax at the top of the list, above tobacco and alcohol duty, fuel duty and VAT.

The case for a higher tax rate is based on economic and social principle, not just public opinion. At present, remote gambling in the UK is under-taxed, meaning that it is in effect subsidised by the state. There are a number of reasons that support this claim:

- Unlike most other goods and services in the UK, gambling does not attract VAT
- Gambling can lead to harm, which imposes costs on the gambler and wider society

[i] We recognise that the term 'problem gambling' has been called stigmatising by campaigners and academics, and we are sympathetic to that view. However, in this paper we make reference to the Problem Gambling Severity Index (PGSI) and, as such, have retained the term 'problem gambling' for the sake of consistency and clarity.

- Many remote gambling operators avoid taxes by basing parts of their operations offshore, and have done so for many years
- British tax rates are lower than those in other jurisdictions – in Austria and the Netherlands, tax on remote slots is closer to 40%, and in some US states it is over 50%.

We are not alone in calling for a rise in online gambling taxes. In September 2024, the Institute for Public Policy Research (IPPR) published the final report of its landmark Commission on Health and Prosperity in the UK, chaired by Lord Darzi (the government's adviser on health reform) and Sally Davies (the former Chief Medical Officer). It called for an increase in gambling duties which would raise an extra £2.9 billion by 2026.[4] Similarly, Dan Neidle, founder of Tax Policy Associates, has recently called for increased taxes on the gambling industry to raise revenue for the Exchequer[5].

Both IPPR and Neidle call for wholesale increases in tax across all gambling sectors, both land-based and online. In this report, we call for an increase only on online gambling.

The UK gambling industry trade association, the Betting and Gaming Council (BGC), states that the industry supports over 110,000 jobs and pays over £4 billion in tax.[6] It claims that if the government regulates the sector too much, jobs will disappear, tax revenue will be lost, and consumers will migrate to the black market. In this report we argue that the government should take gambling sector fearmongering about higher taxes with a pinch of salt, for the following three reasons:

- As noted above, many of the online gambling firms that operate in the UK are prepared to pay higher taxes in order to operate in other countries
- Previous increases in remote gambling tax had limited effect on sector viability, indicating that a further increase could be absorbed
- Any fall in gambling consumption would be offset by spending on other goods and services, which would be expected to boost employment and wages in the wider economy

The current tax system is distorted by outdated rules and perverse incentives. Some types of remote gambling (such as online slots) are proven to be more harmful than other types of land-based gambling, while land-based types of gambling are shown (according to the industry's own figures) to support more economic activity. Yet the tax system does not reflect this. The low-employment, high-harm remote casino sector pays less tax than the equivalent land-based sector. We argue that this should be reversed. Remote gambling should be taxed at a higher rate than land-based gambling.

We therefore make two recommendations:

- Remote Gaming Duty should be doubled from 21% to 42%, reflecting the higher rates of harm associated with online casino gambling, historical tax avoidance of offshore remote operators, and the lack of meaningful contribution from the sector to the UK economy.

- Following the introduction of a higher rate of RGD in the 2024 Budget, the government must finally honour the pledge to review the taxation of the gambling industry as a whole, including remote betting and the various land-based sectors. This must be done in time for the 2025 Budget. For example, it is clear that a one-size-fits-all General Betting Duty is an anachronism in today's digital age, and that there is a strong case to introduce a new category of Remote Betting Duty set at a higher rate for online in-play betting than for land-based pre-event equivalents. At the same time, we understand that some sectors, such as horse racing, face particular challenges in the context of levies and media rights, and that there are legitimate arguments to ease the tax burden on struggling sectors.

The remote casino sector has enjoyed years of growth, including a boom during the pandemic. It has historically avoided taxes that other sectors would be expected to pay. And it creates harm which has a fiscal cost. In short, the economic growth of the remote casino sector is detrimental to the country, and a change in taxation is needed to rebalance this. The urgency of Britain's £22 billion black hole serves to reinforce this.

The previous government said that the White Paper was designed to bring analogue gambling laws in line with the digital age. We argue that the same must now be done for gambling taxes.

CHAPTER ONE – CONTEXT: THE GOVERNMENT NEEDS TO RAISE REVENUE AND CONSIDERATION OF GAMBLING TAXATION IS LONG OVERDUE

Higher tax on remote casino could help the new government reconcile its objectives

The new government is committed to tax reform. In her speech to the Labour Party conference in September 2024, the Chancellor repeated her promise to remain within "a framework of economic and fiscal stability" which would see "wealth in all of our communities, that flows into vibrant high streets."[7] Central to this vision of economic security and wealth creation is the principle of fair taxation – a principle which means that "this government will not sit back and indulge the minority who avoid paying the taxes that they owe."

The Chancellor's conference speech reiterated the main pledges of the Labour Party manifesto of June 2024, which put forward a vision of tax policy that seeks to end unfairness in the tax system by closing loopholes, particularly for large companies, and is open to the option of increasing taxes on these companies to achieve fiscal balance, while not passing the burden of these increases through to working individuals. Specifically, the manifesto made the following commitments:[8]

- To grow the economy while keeping taxes on working people as low as possible
- To ensure every decision is governed by fiscal rules, with all non-investment spending commitments paid for with money brought in through taxes
- To levy windfall taxes on certain sectors, including oil and gas
- To address unfairness in the tax system, including abolishing the use of non-dom and offshore avoidance schemes
- To modernise HMRC and change the law to tackle tax avoidance, particularly by large businesses and the wealthy, ensuring "everyone pays their fair share"
- To cap corporation tax at the current level of 25 per cent

The imperative to find equitable and efficient ways to raise public revenue while staying faithful to these commitments has become stronger since entering government. With additional, unforeseen pressures on public spending revealed in her 29th July statement, the Chancellor has since said that some taxes – though not income tax, national insurance or VAT – will have to rise in the next Budget.[9]

Having ruled out those three big taxes, we argue that the government should consider the option of raising revenue from the remote casino sector to help fill the £22 billion black hole identified by the Treasury.

As well as the additional revenue, an increased tax on remote gambling would be justified in its own right because of the benefits it would have to the economy and on public health. In terms of the sector's economic activity in the UK, research has suggested that gambling takes away from consumer spend in other retail sectors.[10] Put simply, a pound lost on gambling is a pound not spent elsewhere in sectors

where the economic multipliers are more meaningful. In terms of high streets, research has shown that opportunities for gambling are more commonly found in areas of higher social deprivation. The Bennett Institute for Public Policy at the University of Cambridge has provided analysis showing that betting shop density is correlated with higher levels of income deprivation.[11] The same trend is found with online gambling. Data from the University of Liverpool and the National Centre for Social Research shows that twice as many online gaming accounts belong to customers in the most deprived areas.[12]

In addition to the economic context, The Labour Party manifesto also pledged to reduce gambling harm by reforming regulation, recognising the evolution of the landscape since 2005. This pledge followed the publication of a White Paper by the previous government which recognised that gambling is linked to harm and that harm carries a cost because of the burden placed on public services, health services, and through the impact on unemployment and crime. Reducing this cost – which means reducing the rate of harm caused by gambling – would be a net benefit to the Treasury as well as the health and wellbeing of the population. In other words, the question of regulation cannot be separated from the question of taxation, because harm and profit are inextricably linked in the business model of the gambling industry.

A review of gambling tax is long overdue

The UK's current system of gambling tax and regulation dates back to the early 2000s. Since then, as the Labour manifesto acknowledged, there has been substantial "evolution of the gambling landscape".[13] Within this context, both the regulation and the tax system was designed with the primary objective of "maintaining the viability and competitiveness of the industry."[14] The 2005 Gambling Act gave the regulator an aim to permit gambling, while preventing "children and other vulnerable persons from being harmed or exploited". The aim to permit does not equate to a statutory duty to grow the sector. However, since the 2005 Act the Gambling Commission's aim to permit licences has led to a *de facto* culture of liberalisation and growth.

With the majority of sector revenue coming from a "vital few" heavy-spending customers, this has created a tension between the two main functions of the regulator: overseeing sectoral growth while aiming to prevent harm. The Treasury has faced a corresponding dilemma. Should it take a permissive approach by keeping taxes comparatively low on gambling in order to support the sector's growth, or should it focus on revenue raising and reducing harmful consumption by increasing taxes? Since the introduction of the 2005 Act, the Treasury has tended towards permissiveness.

In 2014, the government changed the way that remote gambling is taxed in an attempt to address historic tax avoidance. Having initially allowed remote gambling operators to avoid British taxes by headquartering in offshore tax havens like Gibraltar, in 2014 the government shifted to a "point of consumption" approach. This

meant that operators paid tax on Gross Gambling Yield generated from British customers, no matter where in the world the operator is located.

Following these new rules, online casino gaming became taxed at 15% of Remote Gaming Duty, matching online sports betting taxed at 15% of General Betting Duty. At the time, HMRC pledged to carry out a review of Remote Gaming Duty within five years (that is, by 2019), saying that "consideration will be given to evaluating any benefits, revenue effects, and changes in administrative burdens arising from the remote gambling taxation reforms after five years of monitoring data have been collected and analysed. In the meantime the effects of the remote gambling taxation reforms will be kept under review."[15] Yet this review was never carried out.

In the 2018-19 Finance Bill, Remote Gaming Duty (RGD) was increased from 15% to 21%. This was intended to offset any loss of revenue from the reduction in the maximum stakes on fixed odds betting terminals from £100 a spin to £2 a spin, introduced at the same time.

For remote gambling, there is therefore now a three-tax structure made up of:

- Remote Gaming Duty at 21% of remote gaming profits
- General Betting Duty at 15% of net stake receipts
- Pool Betting Duty at 15% of pool betting receipts

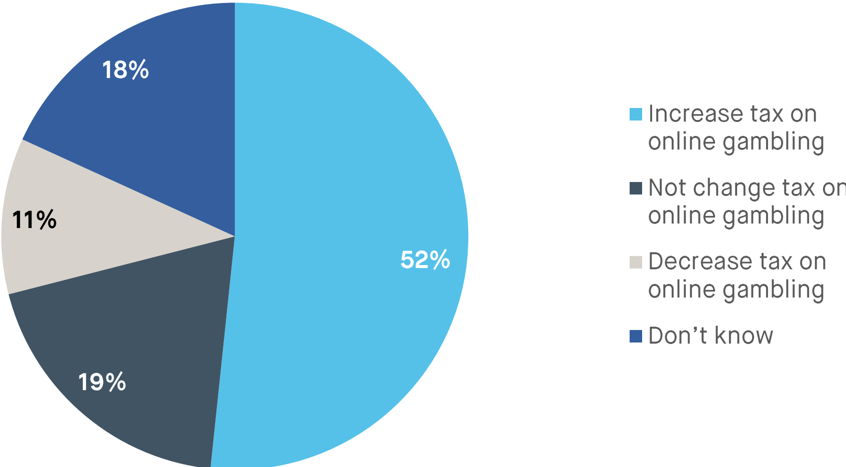
The previous government stated in the 2023 Autumn Statement that it would consult on changes to this three-tax structure. However, the consultation never took place.

In short, there has been no major review of gambling tax for over a decade. We argue that this must be addressed by the new government. Last year's gambling White Paper represented a change in the way that the government views the question of gambling regulation, shifting from a more permissive approach to one anchored in principles of harm reduction and public health. That change of approach must now be reflected in a similar shift in gambling taxation.

The public supports increasing taxes on online gambling

In a Survation poll commissioned for this paper, over half of respondents (52%) said that the government should increase tax on online gambling, compared to 19% who feel it should remain the same and 11% who would like it to be decreased. Support is even greater if tax on online gambling is presented as a way to protect public services: 63% would favour higher duty to avoid cuts.

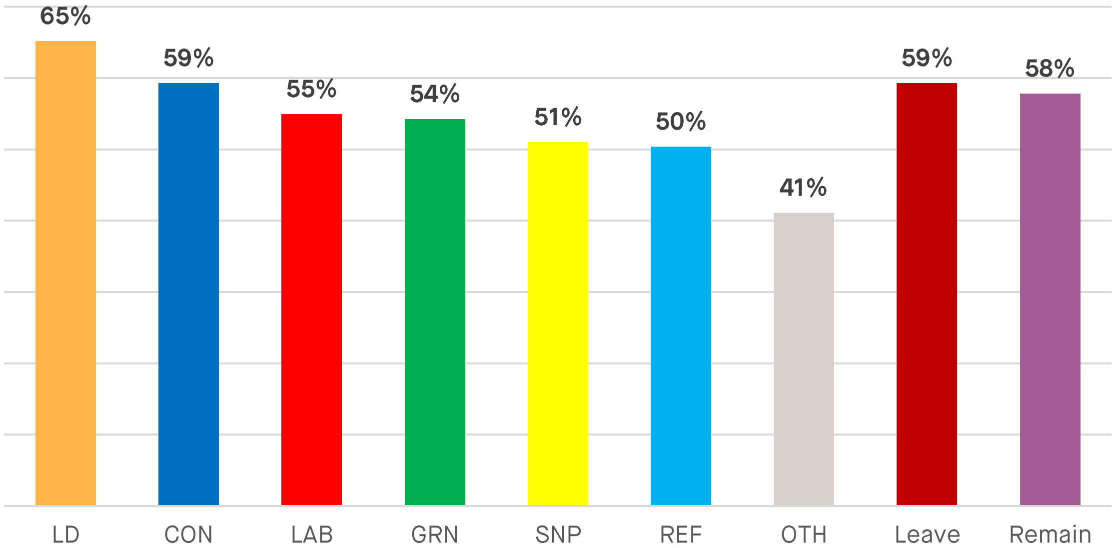
Figure 1: Responses to "In the forthcoming budget, the government should..."



Source: Survation poll commissioned for the SMF

Support for higher taxes on the gambling industry is broad based, cutting across age, region and ethnicity. It also bridges political divides: support for increased taxes is equally distributed across Leave (59%) and Remain (58%) voters. In terms of 2024 vote, raising gambling tax is most popular among those who voted Liberal Democrat, of whom 65% support an increase, followed by Conservatives with 59%, and Labour with 55%. Even Reform voters, who generally oppose tax increases, show majority support for an increase on the rate of online gambling tax.

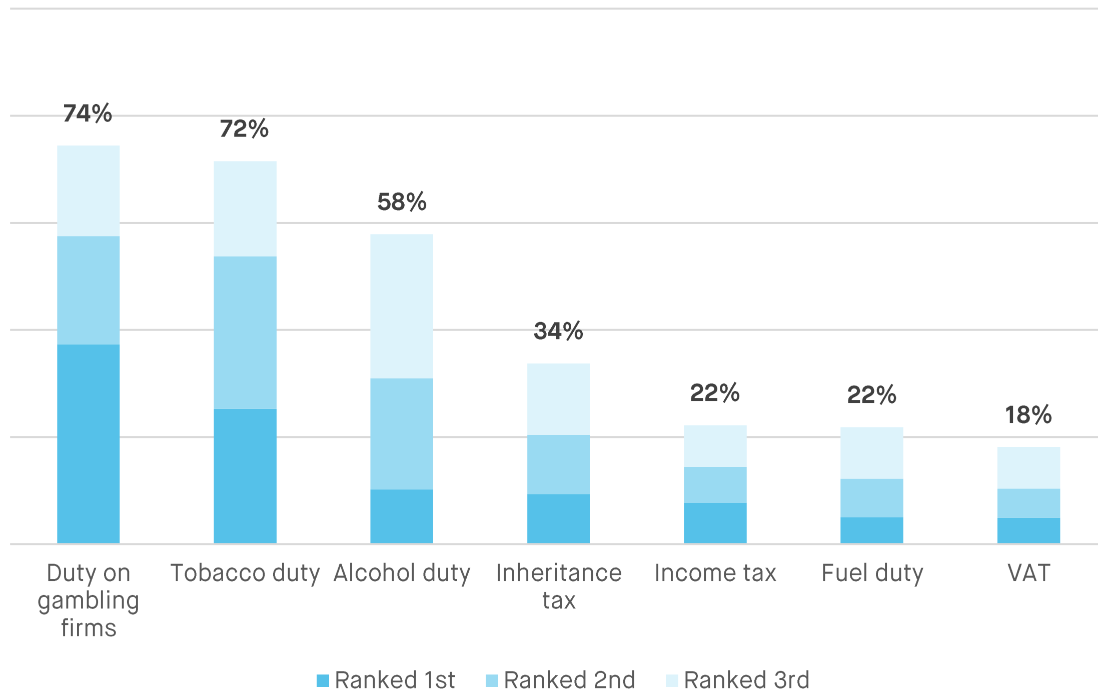
Figure 2: Support for increasing taxes on online gambling by 2024 General Election vote and 2016 EU Referendum vote



Source: Survation poll commissioned for the SMF

Crucially, increasing taxes on gambling firms has more support when compared to other potential tax increases, including income tax, VAT, inheritance tax, as well as duties on fuel, alcohol, and tobacco. When asked to rank which of these taxes the government should prioritise raising, the public were most in favour of increasing taxes on gambling firms. 37% ranked raising duty on gambling firms as their first choice, more than any other tax, and 74% ranked it in their top three preferences.

Figure 3: Responses to "which of the following taxes should the government prioritise raising?" by top three choices



Source: Survation poll commissioned for the SMF

These findings align with previous public opinion research. A 2019 poll for the Gambling Commission found that 82% of people believe that there are too many opportunities for gambling nowadays, and 62% believe it should be discouraged[16] Survation polling in 2023 found that 67% of the public felt the Gambling Review should be viewed as an opportunity to significantly reform the sector.[17] The poll showed support for significant change, including a ban on gambling advertising (52% support) and limits on the amount which could be gambled online (65% support).

This public perception is echoed by the views of politicians, including the majority of Labour MPs. In a pre-election survey, 82% of Labour MPs had an unfavourable view of gambling companies, with just 6% feeling positively towards them – making it the most unpopular sector.[18]

CHAPTER TWO – FOUR REASONS WHY REMOTE GAMBLING IS UNDER-TAXED

It is currently exempt from VAT

VAT has generated increased attention in recent months. While Labour has pledged not to raise the headline rate of 20%, there has been some speculation that the party might "broaden the base", extending VAT to currently exempted activities – as it planned to do on private schools.[19] Gambling has been explicitly referenced as an anomaly to address.[20]

Unlike other non-essential goods, gambling is generally exempt from VAT in the UK. This is not unusual, especially in "traditional" VAT systems like the one which is implemented across the European Union. However, the consequence is to create economic distortions, with the cost of gambling kept artificially low. Since providers of other non-essential goods and services have to pay VAT, they are placed at a competitive disadvantage relative to gambling operators.

The reasons for this exception are easy to understand. Normally, VAT is an additional charge on a good or service based on a percentage of the price. But the price of a gamble is difficult to determine, and constantly in flux. Given the complexities of measurement and valuation, regimes like the EU have tended to judge that it is simpler to exempt gambling – although the European VAT Directive does give member states the right to apply VAT to gambling if they so choose.[21] Belgium has chosen to adopt that option, applying VAT to remote gambling only.[22]

"Modern" consumption tax systems have been more willing to confront this complexity, with countries like New Zealand and Australia both levying GST (their equivalents of VAT) on gambling.[23] They have landed on a relatively straightforward solution: the tax is applied at the level of the operator, on the difference between stakes collected and winnings paid out. In other words, they apply VAT to gross gambling yield, with the tax functioning in much the same way as gambling duty.

On that basis, it could be argued that betting and gaming duties operate as a *de facto* substitute for VAT in Britain. In fact, Remote Gaming Duty exceeds VAT.[ii] Analysis by National Economic Research Associates (NERA) estimates that shifting spending from remote gambling to discretionary alternatives would generate an almost identical amount of consumption tax revenue (the higher rate of RGD vs VAT is offset by higher wages in alternative sectors, which leads to more indirect spending and more VAT as a result).[24]

However, RGD is not high enough to function both as a proxy VAT *and* an excise duty. The current rate of RGD is marginally higher than VAT, which means online gaming is

[ii] The rate of RGD is 21%, whereas the rate of VAT is 20%. But the difference is bigger than this suggests because RGD is 21% on top of gross gambling yield, whereas 20% VAT is incorporated into the final price. VAT = (20% x Revenue) / (120%) = 17% of Revenue. So while RGD is 21% of gross gambling yield, VAT would be 17% of gross gambling yield.

taxed slightly more than the typical good subject to VAT. But gambling is not a normal good; in fact, it generates social harms and externalities that warrant additional taxation, which is why it is subject to excise duty.

Recognising this fact, New Zealand and Australia levy both GST (their equivalent of VAT) and specific gambling duties on gambling. For example, an online casino operator pays 12% offshore gambling duty plus 13% GST – a total of 25% – on gross gambling yield generated in New Zealand.[25] The UK applies exactly this logic to alcohol and tobacco, with VAT added *on top* of duty to reflect the different objectives of those taxes. VAT and alcohol duty comprise almost 40% of the price of alcohol in the UK, of which roughly a third is VAT and two-thirds duty.

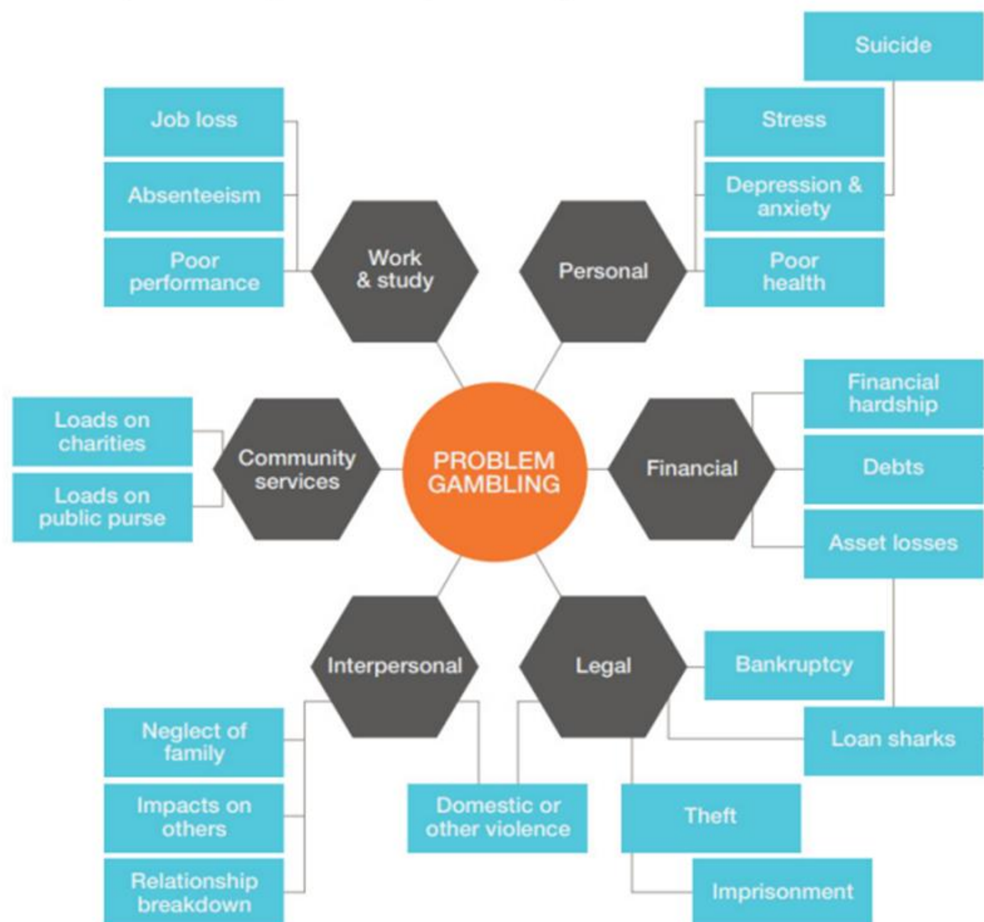
Gambling related harm imposes social, economic and fiscal costs – and these costs are greater for online casino games

Problem gambling generates a range of harms, and one of the main reasons to tax gambling is to address these harms. Within the standard neoclassical economic framework, which assumes all consumers are rational, "Pigouvian" taxes are justified when consumption of a good or service has an adverse effect on wider society (an "external cost"). The objective of the tax is to increase the price of the product in order to ensure it reflects the cost to others, and to ensure it is not overconsumed.

The external costs associated with gambling harm are significant. A 2020 House of Lords select committee inquiry found that "for every problem gambler, six other people are adversely affected by gambling-related harm: a total of some two million people. This can lead to the breakup of families, the loss of employment, loss of homes, crime, financial ruin and, in the worst cases, suicide. There is also a cost to society: lost tax receipts, benefit claims, welfare, and the cost to the NHS and the criminal justice system."[26]

Pigouvian taxes are already levied on a variety of goods. Tobacco and alcohol producers both pay a price designed to partially mitigate the costs born by society as a result of smoking and drinking. Environmental taxes, such as fuel duty or air passenger duty, are another example.

Figure 4: The potential impact of gambling on individuals and their networks



Source: IPPR adaptation (2016) of data from the Australian Productivity Commission (1999)[27]

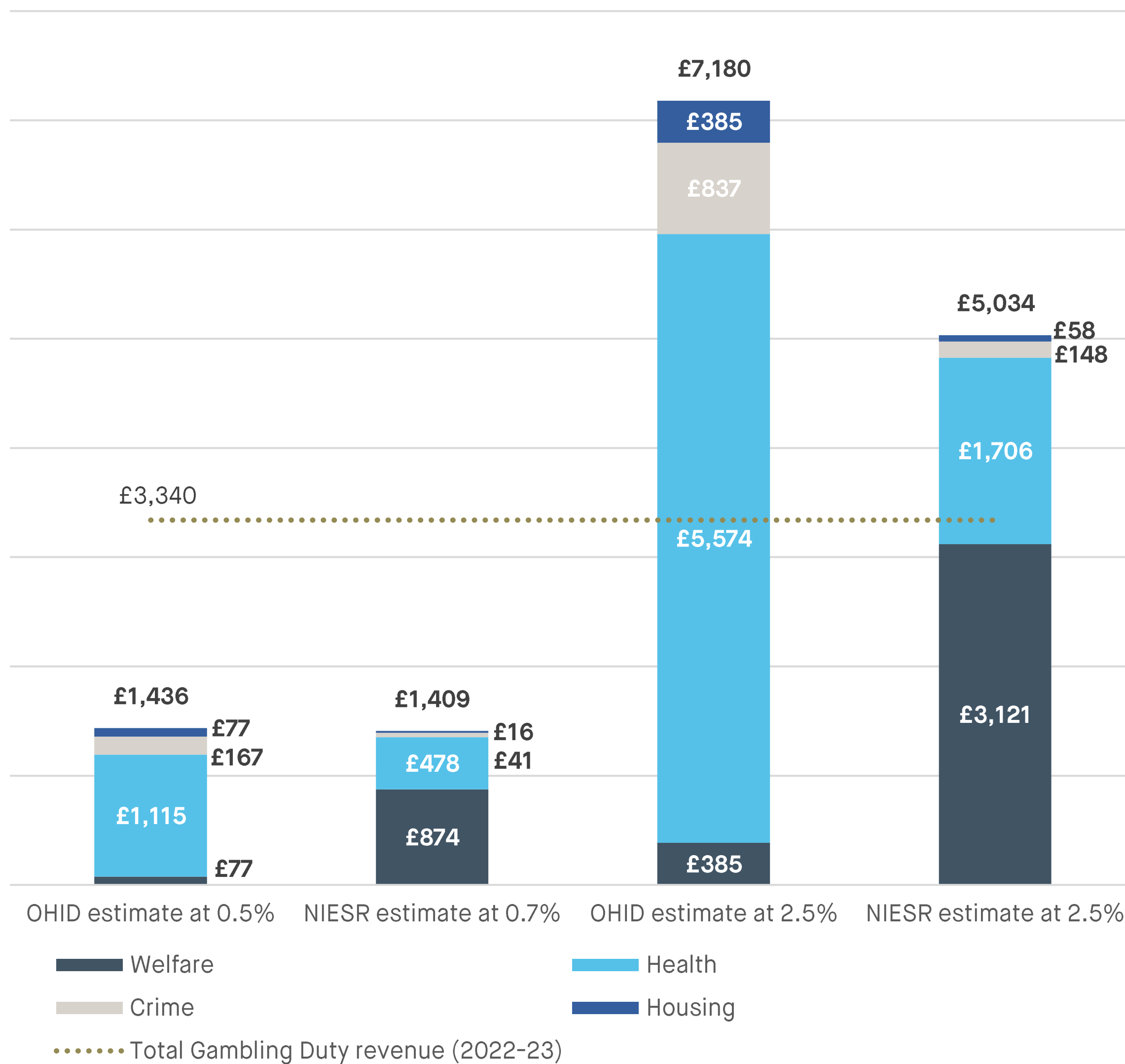
The 2023 White Paper highlighted "the difficulty involved in establishing the cost of the harms caused by gambling using the existing evidence base."[28] However, some attempts have been made to put numbers – however tentatively – against the scale of harm. The Office for Health Improvement and Disparities (OHID) has estimated that the direct financial cost to government due to harmful gambling was £413 million in 2022.[29] Additionally, the annual cost of ill health due to gambling was between £635 million and £1.3 billion. However, it should be noted that some of these costs – like the cost of depression to the individual – are strictly speaking private, not external costs. They still matter – at least if we let go of the assumption that all gamblers are behaving perfectly rationally, and are open to some degree of paternalism – but they should not be counted as external costs.

Economists at the National Institute of Economic and Social Research (NIESR) have argued that a person experiencing problem gambling costs the public purse an additional £3,700 per year through higher welfare payments, healthcare and criminal justice costs, and the costs of homelessness.[30] There is some discrepancy with the OHID figures. OHID limited its analysis of welfare costs to the impact on unemployment benefits rather than universal credit more broadly. Furthermore, NIESR limited its analysis of health costs to consultations and hospital visits, while

OHID looked at the cost of deaths, depression, alcohol, and drugs. Nonetheless, by different means they both arrive at a similar conclusion, finding problem gambling costs a total of £1.4 billion.

It should be noted that the government has stated that both the OHID and NIESR research has "elements which are likely to over or underestimate various aspects of the true costs".[31] Existing estimates of the societal costs of gambling also tend to focus relatively narrowly on tangible fiscal costs. Yet costs to the public purse are only one type of externality, and external costs do not have to be financial. Both should rightly be included in any estimate of the externalities associated with gambling – as should the impact on families and the cost of relationship breakdown.

Figure 5: Common estimates of fiscal costs of gambling harm in England (£ millions)



Source: OHID, NIESR[iii]

[iii] Higher prevalence estimates calculated by scaling up original estimates by 5 (2.5%/0.5%) for OHID and 3.6 (2.5%/0.7%) for NIESR. Where the original estimates were provided in a range, we have taken the midpoint.

Further, both studies used relatively low estimates of problem gambling, assuming it affects around 0.5% of adults. The more recent Gambling Survey for Great Britain, using an experimental method, but one with advantages over previous approaches, estimates that the prevalence of problem gambling is five times as high, at 2.5%.[32] That may represent an upper bound, but it would substantially increase the estimated fiscal cost of gambling, to £7.2 billion using the OHID method and £5.0 billion using the NIESR method.

There is then, substantial uncertainty over the size of the externalities generated by gambling, though they seem likely to be in the billions, rather than hundreds of millions, of pounds. By comparison, gambling duty generated £3.3 billion for the Treasury in the 2022-23 financial year, meaning the sector is likely failing to cover its external costs. With some simplifying assumptions, we can say the Pigouvian tax is too low if revenue does not equal the size of the externality.[33]

Moreover, these comparisons depend on the assumption that gambling duty *is* functioning as a Pigouvian tax. Yet in the previous section, we argued that it could also be considered a substitute for VAT, in which case it would be failing to account for the externalities generated by gambling. Current rates are too low for gambling duty to *both* correct for externalities *and* make up for the distortion caused by exempting gambling from VAT.

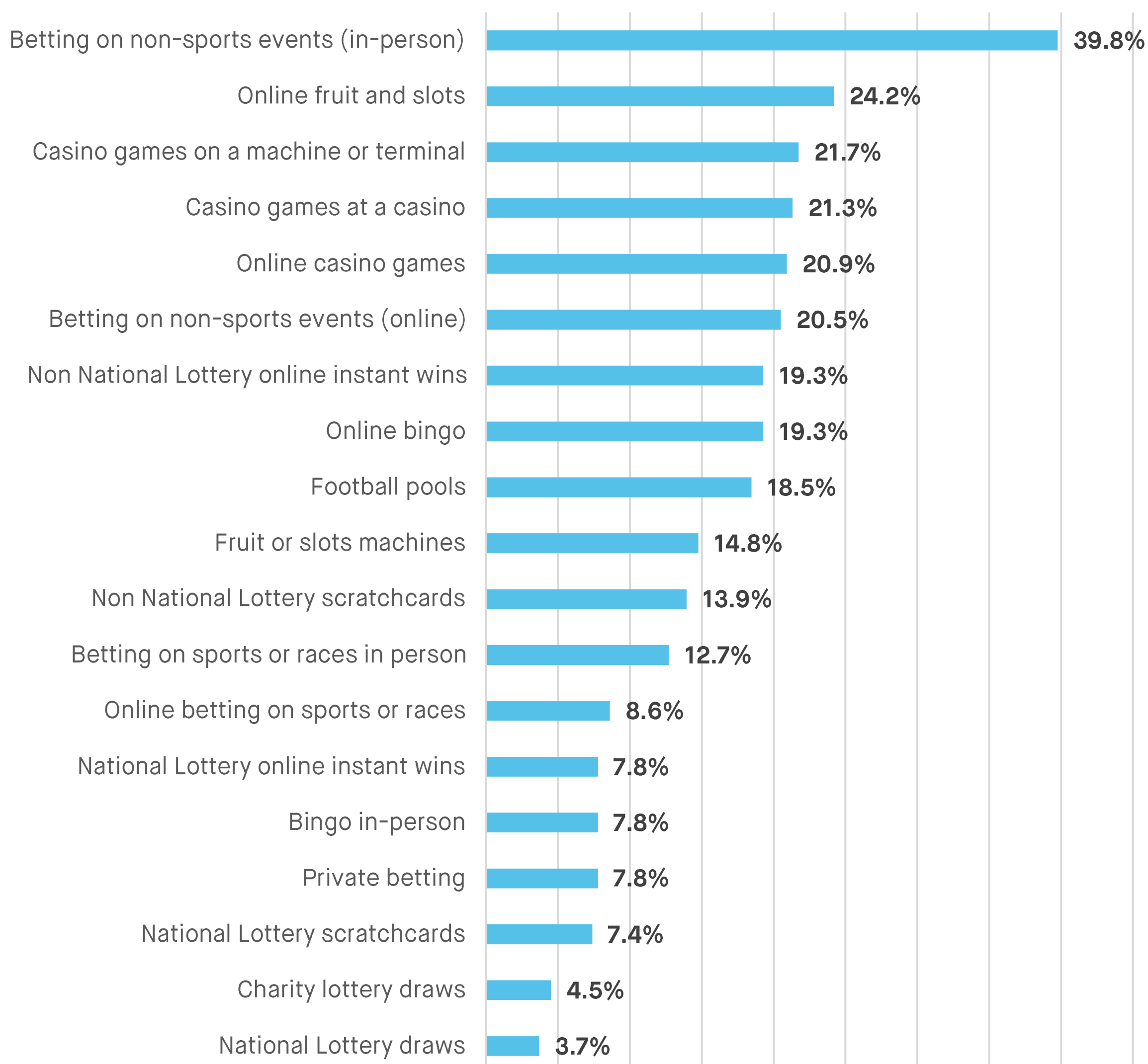
Moreover, these analyses look at gambling as a whole, despite the fact that we know that some forms of gambling are more closely associated with harm than others. This fact has also been recognised by IPPR, which proposed higher duties on general betting and remote gaming as higher harm products, saying that “this is the best application of the polluter pays principle, and it will create incentives for companies to focus on lower harm products.”[34]

In this report, we have chosen to focus our attention on remote gambling, and online casino games in particular. That is because these products are more closely associated with the societal harms we have set out in this section, and as such the case for raising taxes is stronger for them than for other forms of gambling.

Remote gambling, and online casino games in particular, have seen substantial growth in recent years. The market for remote casino games grew by 71% between 2016 and 2023, from £2.4 billion to £4.0 billion. £800 million of this growth was generated in the period since the pandemic.[35]

The Gambling Commission’s recent Gambling Survey for Great Britain showed that online slots had a higher-than-average proportion of people with a Problem Gambling Severity Index (PGSI) score of 8 or more. 24% of online slots players had a PGSI score of 8 or more (and as such were classified as a problem gambler), according to the survey. For players of online casino games, 21% were classified as problem gamblers. Only betting on non-sports events in person exceeded these rates.[36]

Figure 6: Prevalence figures for problem gambling (PGSI scores of eight or higher) by activity



Source: Gambling Commission and SMF analysis.[37] *Note that prevalence rates were calculated by multiplying the relative differences in activities by the overall percentage of participants who had gambled on any activity*

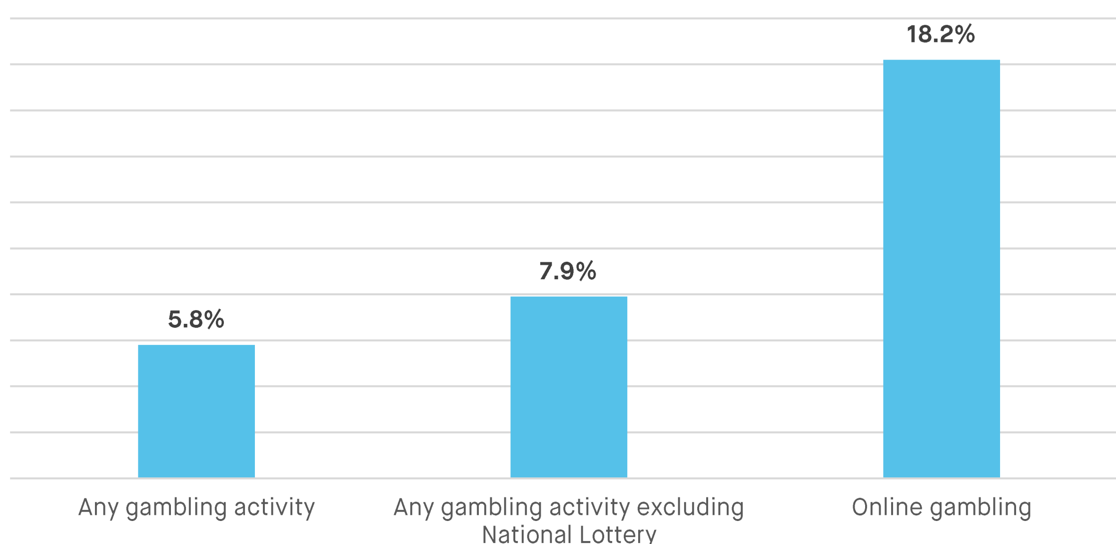
Because high risk gamblers tend to spend more, they account for a disproportionate share of online gambling revenue. *Patterns of Play*, a 2022 report written by University of Liverpool academics and the National Centre for Social Research, highlighted the online gaming sector's heavy dependence on a "vital few" customers, with the top 20% of customers by volume generating just over 90% of revenue. The research pointed to slots as the most popular product, stating that "just one percent of players generated a little more than 40% of GGY and in this group the average loss over the year was £10,491. Thus, a large chunk of revenue derived from exceptionally heavy spenders".[38]

According to research, online gaming is particularly risky because of the speed at which money can be wagered and lost. Analysis in *Patterns of Play* showed that slots games accounted for the majority of spend (60.1%) on gaming activities, reflecting its dominance in the overall online gambling sector. It is unsurprising, then, that

playing slots is a strong risk factor for incurring heavy losses from online gaming, and that perceptions of regret and anxiety from this activity have been linked to financial losses and the impact of these losses on relationships.[39]

These findings are echoed in the 2021 Health Survey for England, which found that the prevalence of at-risk and problem gambling was higher (according to PGSI scores) among gamblers who gambled online.[40] The Survey found that 18.2% of individuals who participated in online gambling activities were identified as engaging in at-risk or problem gambling. Similarly, in 2022, Citizens Advice published research showing that over 80% of those contacting them for help with debt related to gambling had fallen into debt through online gambling.[41]

Figure 7 Prevalence of problem and at-risk gambling by activity



Source: Health Survey for England (2021)[42]

Offshore operators avoid UK corporation tax

Many remote gambling operators active in the UK have elements of their corporate activity based in offshore locations such as Gibraltar, Malta and Alderney for tax reasons.

These operators fall into three broad categories. First, there are operators which are licensed in Great Britain and have a significant proportion of revenue drawn from British customers but maintain some of their corporate activity in offshore holding companies for tax reasons and in order to access other overseas markets, including grey and black markets (in the past, these have included Turkey and China).

Most of the biggest remote operators fall under this category. For example, the current list of licensed operators approved by the Gibraltar Gambling Commission includes WHG International Ltd (William Hill), LC International Ltd (Ladbrokes, Coral and Gala Bingo) and Hillside Gibraltar Ltd (Bet365). Many of the household and high street brands familiar to consumers in the UK are, in fact, connected to holding companies based offshore.

Second, there are operators which are licensed in Great Britain but have little or no revenue drawn from British customers, instead using the licence to host so-called “white label” brands targeted at overseas customers through football club sponsorship. The white label system is a highly controversial aspect of the Gambling Commission’s licensing regime. Put simply, it allows a brand based in somewhere like Asia (the white label) to target Asian customers, including in grey and black markets, by advertising the brand on popular English football club shirts. In order to do this, the white label will be added as a “domain name” to a British-licensed operator. A large number of these white labels are run through a single operator, TGP Europe Ltd, based in the Isle of Man.[43] These white labels will typically not have any British customers. An example of a white label would be BJ88, the new sponsor of AFC Bournemouth, which is one of TGP Europe’s domain names. Two of the listed target markets on BJ88’s website are Bangladesh and Pakistan, both countries where gambling is illegal.

By enabling British licences to be extended to offshore operators which target customers where gambling is illegal, the Gambling Commission is essentially facilitating the black market. This leads to the third category of offshore operator, the illegal operators themselves, which target British customers even though they do not hold a British licence.

None of these operators pay UK corporation tax on their activity in offshore locations. By basing their corporate activity offshore, these operators do not pay UK wages or contribute to national income. Yet all of them benefit from either having a British licence, advertising through British sports, or drawing revenue from British customers.

In 2020, the SMF published a report on gambling regulation in anticipation of the Gambling Act review.[44] In this report, we called for a review of tax avoidance schemes connected to the remote sector, with particular focus paid to offshore gambling operators active in Britain, and argued that the government should encourage the onshoring of these operators through tax incentives.

In terms of corporation tax, it should be noted that in 2020 the government introduced the Digital Services Tax for companies that extract substantial revenue from UK users of search engines, social media platforms and online marketplaces. This tax was introduced because of concerns about multinationals using corporate structures to avoid paying UK tax.

The Digital Services Tax was a measure introduced in anticipation of the OECD’s proposed ‘Pillar One and Two’ reforms that are intended to allow countries where large multinational businesses derive income to tax them locally. The OECD has advocated a Global Minimum Tax designed to ensure that multinational corporations with revenues above €750 million are subject to a 15% minimum corporate tax rate wherever they operate.[45] This initiative has been agreed by over 140 member jurisdictions.[46]

In other words, gambling operators which are headquartered in the UK pay 25% corporation tax, while operators based in offshore locations pay less (for example,

corporation tax is 15% in Gibraltar, 0% in Alderney and 5% in Malta according to certain exemptions – all of which are major hubs for UK-facing remote gambling operators). Even if these same companies paid a standard 15% rate after OECD Pillar Two changes, it would still be below the rate they would pay in the UK. Future OECD changes to corporation tax rules will therefore not close the current remote gambling sector offshore loophole. We understand that there is little that the UK government can do to change tax rates in offshore havens. Instead, we argue that this loophole must be offset by the Treasury through an increase in other gambling taxes.

When the government introduced the point of consumption principle in 2014, it accepted the principle that it can levy consumption taxes like gambling duty to replace avoided corporation tax. The government should revisit this principle and look to raising Remote Gaming Duty.

British rates are modest by international comparison

In Britain, Remote Gaming Duty is set at 21% of GGY from online casino products (slots and non-slots). General Betting Duty is set at 15%. These rates are modest by international comparison, with many peer countries levying considerably higher rates.

We have compared tax rates on online gambling across the EU, the main US states that allow remote casino gaming, major Australian and Canadian states and provinces and New Zealand.

Britain's remote tax rate is lower, often significantly lower, than comparable international markets. For example, Pennsylvania has a remote sports betting tax rate of 36% and a remote slots tax rate of 55%. Ohio has a remote sports betting tax rate of 20%, recently doubled from 10% in the 2024 budget. Similarly, the major market of Illinois has increased its previously flat rate of 15% for remote sports betting to a sliding rate of between 20% and 40%. And New York has a remote sports betting tax rate of 51%. In Europe, the Netherlands is changing its remote tax rate from 30.5% to 37.8% in 2025, just behind Austria's rate of 40% on online gambling. France has a remote sports betting rate of 55%.

In countries that levy VAT/GST on gambling, the effective rate tends to be higher than Britain's. For example, the Australian state of Queensland has a 20% tax rate on gambling plus 10% GST, which works out to a total rate of 29%.[iv] New Zealand's offshore gambling duty rate is considerably lower at 12%, but with 15% GST added on top, it exceeds the overall tax rate in Britain, rising to 25%.[v]

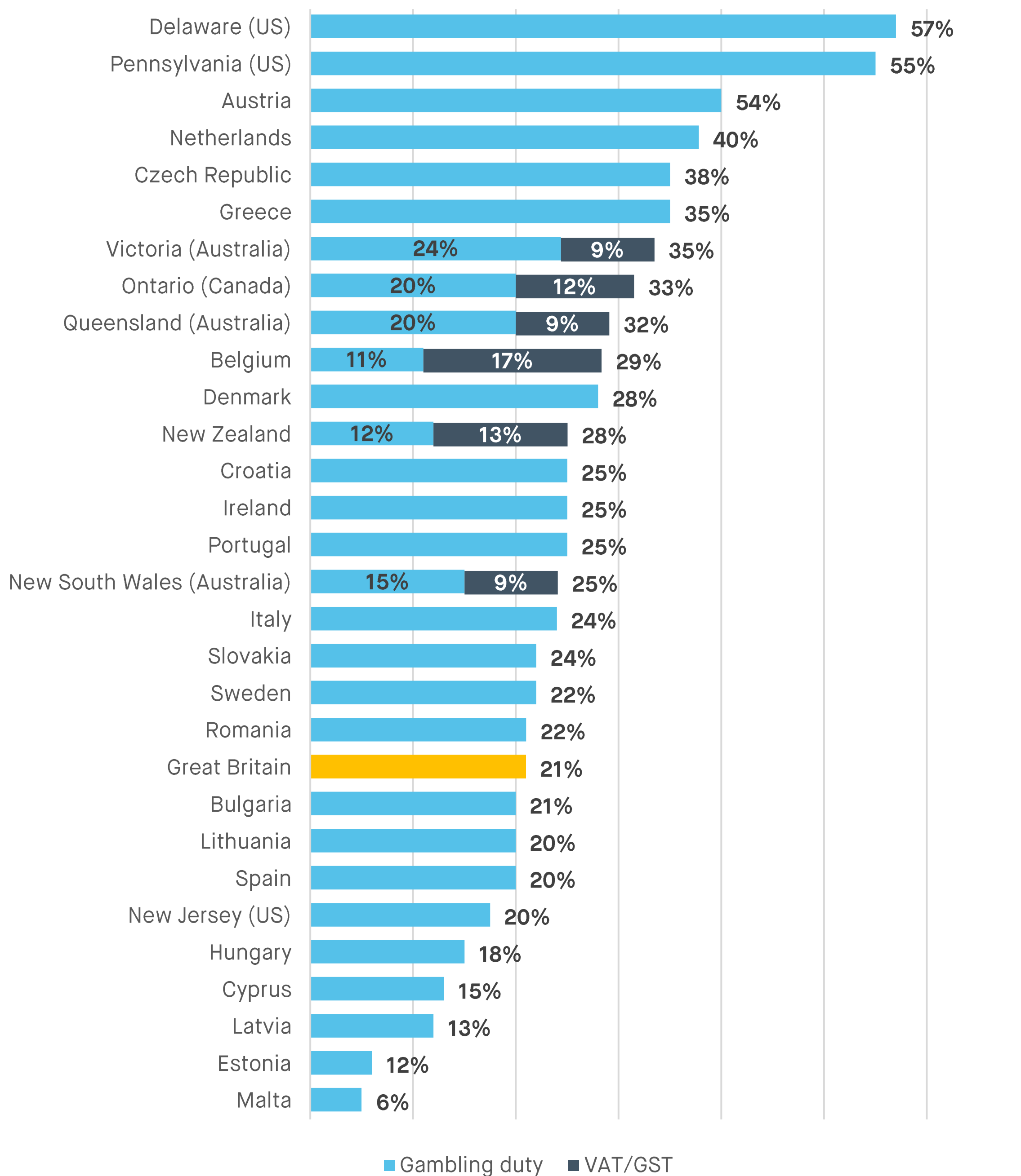
The chart below compares the tax rate on remote slots across our comparator set of jurisdictions. It shows that Britain is at the lower end of the table, suggesting significant scope to increase taxes.

[iv] Because 10% of pre-tax price = 9% of post-tax price

[v] Because 15% of pre-tax price = 13% of post-tax price

In terms of comparisons, it should be noted that the countries with significantly lower tax rates tend to be countries like Malta that have explicitly pursued a low tax approach to attract gambling operators. Some peer countries are left off the chart because they are not directly comparable in terms of tax rates and have different approaches to tax and regulation. Poland and Germany both levy taxes on stakes rather than gross profits. Poland's 12% turnover tax is estimated to amount to around 55-65% of GGY. Germany has a 5% turnover tax. Online casino games are currently illegal in France, and gambling currently operates under a state monopoly in Finland and Canadian provinces such as Quebec, Alberta and British Columbia.

Figure 8: Tax on remote slots, % of Gross Gambling Yield



Source: SMF analysis of multiple sources

It is interesting to note that some US states tax remote slots higher than non-slots, applying a product-specific tax rate on different types of content. For example, in Pennsylvania, remote slots are taxed at 55%, non-slots at 16%, and sports betting at 36%. This raises an important question about how different tax rates can be applied depending on levels of revenue, harm, and venue. At present, all sports betting in Britain, whether remote or land-based, is taxed at the same rate of 15%. There is no distinction made between remote forms of betting (many of which have casino-like features "in-play"), over-the-counter betting in shops, and traditional forms of on-course betting.

We argue that it makes sense for the government to consider following the example of other jurisdictions and apply a calibrated approach to gambling duty, taxing the remote sector higher than the land-based sector.

CHAPTER THREE – REMOTE GAMING DUTY CAN BE RAISED WITHOUT NEGATIVE ECONOMIC CONSEQUENCE

Increases in remote gambling tax have limited effect on sector viability

Any proposal to raise taxes will inevitably meet some resistance, particularly from those liable to pay the tax. Efforts to increase gambling taxes are unlikely to be any different.

The Betting and Gaming Council states that the industry supports over 110,000 jobs and pays over £4 billion in tax.[vi] It claims that if the government regulates the sector too much, jobs will disappear, tax revenue will be lost, and consumers will migrate to the black market.

On the other hand, when we look more closely at those figures, we see that the online betting, bingo and gaming sector – a sector which, it should be noted, last year took £6.5bn Gross Gambling Yield – *directly* employs just 10,000 people.[47]

In response to last year's Autumn Statement, the BGC released a statement that "urged the Chancellor against using a proposed new gambling tax simplification measure to further raise taxes." We argue that the government should be unmoved by this kind of pleading for special treatment. While higher remote gambling taxes can be a win-win for both the government and the public in terms of raising revenue and reducing harm, the economic consequences for the sector are more than manageable.

If tax were to be increased on remote gambling operators, they would have essentially three options:

- They could absorb the cost of the tax increase, leading to less profit
- They could cut costs to offset the tax increase and maintain profit margins (for example, by decreasing spend on marketing or media rights)
- They could pass the cost of the tax increase through to consumers (for example, by increasing the effective price of gambling through a change to odds, as the government anticipated would happen when RGD was increased in 2019)[48]

These three options are not mutually exclusive, and in practice operators are likely to use some combination of the three depending on circumstance. Fully absorbing the tax increase (Option 1) would maximise tax revenue, but would not have any effect on rates of harm. Options 2 and 3 – cutting marketing or passing the tax on – might be expected to reduce problem gambling. While this would mean some reduction in gambling activity and revenue, it would still be expected to be net positive for the public finances: as we outline below, even if we assume that any increase in duty is

[vi] EY, 'The Economic Contribution of the Betting and Gaming Sector: 2021-22' (Betting and Gaming Council, November 2022), https://bettingandgamingcouncil.com/uploads/FINAL-BGC-Economic-Contribution-Report-22.pdf.

fully passed through, and that gamblers are responsive to the tax, it would still generate hundreds of millions of pounds in revenue for the Treasury.

The increase in remote gaming duty from 15% to 21% in 2019 is of a smaller magnitude than our proposal, but still offers some reassurance that the sector can weather tax increases. In real terms, turnover in 2023 was around the same as it was in 2019 when the tax came in (with a pandemic spike in between). Expected returns to gamblers have gone down, which could reflect the tax being passed through, but cannot conclusively be attributed to the tax increase.[49] That suggests at least some scope to raise taxes further without massive disruption.

Indeed, as Figure 8 in the previous chapter shows, many other jurisdictions have higher tax rates on online gambling. The fact that operators – often the very same operators that trade in the UK – manage to survive profitably in those contexts suggests that they are manageable for the sector.

Any fall in gambling consumption would be offset by spending on other goods and services

In any case, we should not overstate the economic value of the gambling sector, and any claims it makes for preferential tax treatment should be treated with a pinch of salt. The reasons for this are two-fold. First, the distinctive features of remote gambling from an economic perspective – it is not very labour intensive, and much of the activity occurs overseas – means that its economic footprint in the UK is fairly small relative to its revenue. The Betting and Gaming Council has claimed that gambling contributes £7.1 billion in gross value added to the economy, but that overstates matters: DCMS' own analysis suggests it is around half that, at £3.8 billion.[50]

Second, if people do not spend their money on this activity, it follows that they will spend money on other goods and services elsewhere. A recent study by NERA concluded that "online gambling has been detrimental to the British economy." Their modelling suggests that if the £5.6 billion a year spent on gambling was spent on discretionary alternatives instead, economic activity would be £1.3 billion a year higher, and wages £2.6 billion higher. They argue that "online gambling is a low labour, high margin business, and so it generally extracts rather than contributes value to the British economy."[51] This is consistent with previous SMF analysis which found that a £1 billion reduction in gambling spend would, when displaced to spending in the retail sector, be expected to boost the economy by £311 million, create 24,000 jobs and increase tax revenues by £171 million.[52]

The White Paper made reference to this research, noting that "some money not spent on gambling (for instance due to restrictions to prevent unaffordable losses) will go into other economic sectors which pay tax and produce more jobs per million pounds spent than online gambling. However, money could also go into activities not taxed in the UK (including overseas payments and the informal economy) and some could go into the gambling black market, where illegal operators do not pay taxes and have weaker player protections… However, even if we made pessimistic assumptions about leakage, displacement is likely to materially reduce the negative economic and

fiscal impact from the drop in online gambling tax revenue."[53]A recent analysis by Frontier Economics, commissioned by the Betting and Gaming Council, raised fears that stricter regulation or higher taxes will simply drive spending to the black market.[54] Yet the figures it presented only served to highlight how small the black market is, accounting for 2% of all stakes at present. By comparison, 15% of tobacco is illicit according to government estimates, and most accept that high tobacco taxes have nevertheless been able to reduce harm and raise significant revenue.[55]

Clearly these dynamics need to be understood properly by the government. We argue that the government should embark on a comprehensive review of gambling taxation across sectors, both remote and land based, analysing the relationship between sectors, products, GVA and harm. This review should begin without delay, following the raising of RGD in the Autumn Budget 2024, and should reach conclusions for further tax increases – or decreases – for the betting sector, the land-based casino sector, and the bingo sector in time for Autumn Budget 2025.

Horse racing would be an obvious example of a sector that needs reassessment under such a review. The industry generates £300 million annually in taxation and attracts inward investment from overseas.[56] In terms of jobs, an ecosystem of employment exists within and around the racecourses, training yards and stud farms; this includes jockeys, stable staff, vets, feed merchants, ground staff and racecourse staff, as well as associated jobs within the wider hospitality sector during events.

At present, General Betting Duty is levied at a rate of 15% on bets placed on horseracing if they are placed with a bookmaker. In addition to this, bookmakers pay the Horserace Betting Levy, which taxes profits of over £500,000 at a rate of 10%. The Horserace Betting Levy largely goes back to the industry and is meant to redistribute funds across the racecourses, often in the form of prize money, the support of veterinary science and the improvement of horse racing. At the same time, racecourses are expected to pay business rates and VAT on their properties. In addition to this, bookmakers also pay media rights to the racing industry.

In other words, the tax demands, costs, economic conditions and jobs in horse racing are completely different from the tax demands, costs, economic conditions and jobs in remote casino gaming. Furthermore, single pre-event horserace betting is qualitatively different in its relationship to harm from other, higher frequency remote gaming activities such as online slots.[57] A future government review of gambling tax must take appropriate account of these differences, including the relationship between horse race betting and other forms of betting, and the levy and other taxes on gambling. Similarly, the process of distributing media rights must be fair and transparent. At present, the process is opaque and media rights could be used as a weapon by the bookmakers against horse racing in order to resist calls for tax increases.[58] The government must ensure that this does not happen.

Similarly, the future review must address tax anomalies between land-based casinos and their remote counterparts. At present, revenue from casino table games is subject to gaming duty at rates which increase from 15% to 50%. Revenue up to £2.6 million is taxed at 15%. After that, a sliding scale is applied up to £6.8 million, after

which revenue is taxed at 50%. In this way, the effective rate of duty increases the more that the casino generates in revenue. No other form of betting or gaming is taxed in this way. In practical terms, it means that an online casino operator generating £50 million in revenue would pay £10.5 million in Remote Gaming Duty, but a land-based casino generating the same amount would pay almost twice as much (£19.3 million). Casinos are also subject to alcohol duty, VAT, corporation tax and other business rates.

This raises questions over how gambling taxation should relate to wider business taxation, and specifically how the government should balance taxation of online and bricks-and-mortar businesses. For example, IPPR recently published a piece by tax economist Mark Lloyd calling for an online sales tax to support high streets, explicitly modelled on the treatment of remote gambling.[59] A future gambling tax review should explore how far that objective can be pursued.

CHAPTER FOUR – RECOMMENDATIONS

Since the 2005 Act, successive governments have maintained a belief that the growth of online gambling benefits the economy. However, there is increasing recognition, not least in Labour's 2024 election manifesto, that the regulatory context has changed since then, and that more must be done to address gambling harm. The fiscal context is also relevant. With the public finances under strain, and the government restricted in terms of the taxes it can raise, it would be irresponsible not to consider gambling as a potential source of revenue. As we have shown in this report, taxing gambling is popular with the public, and certainly more popular than other options that the government has to raise revenue.

To address these issues, we make two recommendations in this report. The first recommendation is immediate, to be implemented in this month's Autumn Budget; the second recommendation is medium-term, to be implemented over the course of the next year for Autumn Budget 2025.

Remote Gaming Duty should be doubled in this year's Budget

Our immediate proposal is that Remote Gaming Duty should be significantly increased. In this report, we have outlined a number of reasons why we believe the tax on remote gaming is currently too low. Online slots and casino games escape VAT, meaning they are *de facto* subsidised by the state relative to other goods and services. They generate significant fiscal and social costs, and more harm than other forms of gambling. Operators have managed to avoid tax for several years. And other jurisdictions levy far higher taxes than the UK does on exactly the same activity.

Some of these arguments apply to other forms of gambling, but they all have significant purchase on online gaming. That is why we believe it should be prioritised for tax increases in the next Budget. The IPPR Health and Prosperity Commission recently called for Remote Gaming Duty to be increased from 21% to 50% as part of a broader increase in gambling taxes. We think that is a reasonable proposal, but in the first instance suggest a slightly more modest increase, doubling the rate of RGD to at least 42%.

At present, Remote Gaming Duty generates around £900 million a year in revenue for the Treasury. Doubling that rate, and assuming no change in activity (for a 'static' estimate), would produce an additional £900 million, while increasing the rate to 50% would generate an additional £1.2 billion. In reality, we might expect some of the additional tax to be passed through to consumers (for example, through worse odds), resulting in some reduction in gambling (and therefore rates of harm). To provide a lower bound estimate, we can assume conservatively that the tax is fully passed through, and in line with the literature that consumers' price elasticity is -1 (i.e. for every 1% increase in the cost of gambling, spending falls by 1%).[60] Under those assumptions, a 42% RGD would reduce consumer spend by 17% and a 50% RGD would reduce spend by 22%. Nevertheless, the effect is dominated by the higher rate, and as a result, tax revenue would still increase by over £550 million with a doubling of RGD or £750 million with a 50% rate.

Figure 9: Estimated additional revenue from RGD increases (£ million)

Source: Gambling Commission, SMF analysis

Overall, then, we estimate that our proposed doubling of Remote Gaming Duty could raise between £575 million and £900 million in tax revenue for the government.

A full review of gambling taxation should be conducted by the time of the 2025 Budget

The issues with gambling tax go deeper than just remote gaming, however. The duty system does not appear to track harm particularly well. While we have prioritised online slots and casino games for attention, other forms of online betting – notably remote in-play betting – present particular cause for concern.[61] Moreover, we are well aware that harm occurs in land-based venues too (as we have seen with fixed odds betting terminals).

There are other dysfunctions in the existing gambling tax system. It seems over-complicated, with between seven and nine different taxes on different activities depending on how they are counted (seven types of duty, plus the Horserace Betting Levy and the incoming statutory levy). And many of these taxes carry significant internal complexity: for example, there are five different bands of gaming duty charged on bricks-and-mortar casinos, at somewhat arbitrary intervals – making these duties more complicated than income tax.

We therefore argue that it is time for the government to carry out a full review of gambling taxation. This should explore questions such as whether a one-size-fits-all General Betting Duty is appropriate in a digital age, or whether (as we suggest) there is a case for separate Remote Betting Duty, set at a higher rate for online in-play betting. This should also explore what the appropriate way (if any) to support ancillary activities like horse racing through the gambling taxation system should be.

As we have noted, previous governments have repeatedly pledged to carry out a wholesale review of gambling taxation, but none have yet followed through. With a new government in place, and following the recent review of the 2005 Gambling Act, it is clearly time to carry out an equivalent review of gambling taxation. One of the significant achievements of the previous government, albeit relatively unnoticed, was to fundamentally overhaul alcohol taxation, greatly simplifying an outdated system and ensuring it is more responsive to harm.[62] On gambling duty, the opportunity is even greater.

The government should therefore use this month's Budget to announce a full review of gambling taxation, to be completed by the time of the next Budget, with a view to increasing or decreasing duties on different activities in a way that reflects their impact on society, and the relative harm they cause. Only then can we achieve a gambling tax system that is finally fit for the digital age.

ENDNOTES

[1] Gambling Act 2005, c. 19, Section 4, (2005). https://www.legislation.gov.uk/ukpga/2005/19/section/4

[2] Gambling Commission Statistics and Research Hub, "Industry statistics – February 2024 – Correction: Official statistics" (Gambling Commission, 2024). https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-february-2024-correction

[3] Gambling Commission Statistics and Research Hub, "Statistics on gambling participation – Year 2 (2024), wave 1: official statistics" (Gambling Commission, 2024). https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-gambling-participation-year-2-2024-wave-1-official-statistics

[4] Chris Thomas et al. "Our greatest asset: the final report of the IPPR commission on health and prosperity." (IPPR, September 2024). https://ippr-org.files.svdcdn.com/production/Downloads/Our_greatest_asset_Sept24.pdf

[5] Dan Neidle (@DanNeidle) "21. Increase taxes on gambling - up to £2.9bn. The recent IPPR report also proposes increasing gaming duties. This would raise significantly more tax than taxing", Twitter, 25 September 2024, 11:24AM, https://x.com/DanNeidle/status/1838887198311010340

[6] Betting and Gaming Council, "Betting and gaming council welcomes Labour government and commits to working together to drive economic growth and champion standards on safer gambling," (BGC, 5 July 2024). https://bettingandgamingcouncil.com/news/labour-government

[7] Rachel Reeves, "Speech at Labour Party Conference 2024" (Labour Party, 23 September 2024). https://labour.org.uk/updates/press-releases/rachel-reeves-speech-at-labour-party-conference-2024/

[8] Labour Party, "Change: Labour party manifesto 2024" (Labour Party, 2024). https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf

[9] Mitchell Labiak and Tom Espiner, "We'll have to increase taxes, says Reeves" (BBC, 31 July 2024). https://www.bbc.co.uk/news/articles/c7290yxw8q4o

[10] Soren Christian and Duncan Broadie, "Economic assessment of online gambling in Great Britain" (National economic research associates, 18 July 2024). https://cdn.sanity.io/files/42ezp3kj/production/01361ed79749fb32bbd9e992b6bf849fd25a8b51.pdf

[11] Benett Institute of Public Policy Cambridge, "More troubles for the high street: what are the odds of that?..." (University of Cambridge, 2 April 2019). https://www.bennettinstitute.cam.ac.uk/blog/more-troubles-high-street-what-are-odds/

[12] David Forrest et al, "Patterns of play" (National Centre for Social Research, 9 June 2022). https://natcen.ac.uk/publications/patterns-play

[13] Labour Party, "Change: Labour party manifesto 2024" (Labour Party, 2024). https://labour.org.uk/wp-content/uploads/2024/06/Labour-Party-manifesto-2024.pdf

[14] David Paton, Donald Siegel, and Leighton Vaughan Williams, "A policy response to the e-commerce revolution: the case of betting taxation in the U.K." (Working paper for the Economic Journal, May 2002). https://irep.ntu.ac.uk/id/eprint/20898/1/196054_154%20Vaughan%20williams%20Post%20Print.pdf

[15] HMRC, "Remote gambling taxation reform consultation draft." (HMRC, 2014). https://assets.publishing.service.gov.uk/media/5a7c4e0ded915d3d0e87b79e/1._Remote_gambling_tax_reform.pdf

[16] Gambling Commission, "Gambling participation in 2019: behaviour, awareness and attitudes" (Gambling commission, 10 October 2024). https://www.gamblingcommission.gov.uk/print/gambling-participation-in-2019-behaviour-awareness-and-attitudes

[17] Carl Shoben, "New poll: voters want the government to make significant change to gambling industry" (Survation, 24 April 2023). https://www.survation.com/new-poll-voters-want-the-government-to-make-significant-change-to-gambling-industry/

[18] Gideon Skinner, 'Labour Voters' Views of Business' (Ipsos & Apella: Labour & Business, London, 19 March 2024).

[19] The Economist, "Filling the fiscal hole: what taxes might Labour raise?" (Economist, 20th June 2024). https://www.economist.com/britain/2024/06/20/what-taxes-might-labour-raise

[20] The Economist, "Put VAT on everything: How to fix Britain's barmy VAT regime" (Economist, 22nd April 2024). https://www.economist.com/britain/2024/04/22/how-to-fix-britains-barmy-vat-regime

[21] Rita de la Feria and Richard Krever, "Ending VAT exemptions: towards a post-modern VAT" (Oxford University Centre for Business Taxation, Said Business School, 2013). https://core.ac.uk/download/pdf/288287173.pdf

[22] Advocate General Kokott, "Opinion of advocate general Kokott on Case C-741.22: Casino de Spa SA and Others v Etat belge (SPF Finances), interested parties: Etat belge (SPF Justice), La Chambre des Representatives" (InfoCuria, 25 April 2024). https://curia.europa.eu/juris/document/document.jsf;jsessionid=B74CC8C5A02D40A41CA3AD1057A97745?text=&docid=285203&pageIndex=0&doclang=en&mode=req&dir=&occ=first&part=1&cid=3082511#Footnote1

[23] Rita de la Feria and Richard Krever, "Ending VAT exemptions: towards a post-modern VAT" (Oxford University Centre for Business Taxation, Said Business School, 2013). https://core.ac.uk/download/pdf/288287173.pdf

[24] Soren Christian and Duncan Broadie, "Economic assessment of online gambling in Great Britain" (National economic research associates, 18 July 2024). https://cdn.sanity.io/files/42ezp3kj/production/01361ed79749fb32bbd9e992b6bf849fd25a8b51.pdf

[25] Inland Revenue, Te Tari Taake, "Offshore gambling duty" (Inland revenue, April 2024). https://www.taxpolicy.ird.govt.nz/-/media/project/ir/tp/publications/2024/2024-sp-offshore-gambling-duty/special-report---offshore-gambling-duty.pdf?modified=20240403222415&modified=20240403222415

[26] Select committee on the social and economic impact of the gambling industry, "Report of Session 2019-21: Gambling Harm: Time for Action" (House of Lords, 2 July 2020). https://committees.parliament.uk/publications/1700/documents/16622/default/

[27] Craig Thorley, Alfie Stirling, Edison Huynh, "Cards on the table: the cost to government associated with people who are problem gamblers in Britain" (IPPR, 13 December 2016). https://www.ippr.org/articles/cards-on-the-table

[28] Department for Culture, Media and Sport, "High stakes: gambling reform for the digital age" (DCMS, April 2023). https://assets.publishing.service.gov.uk/media/644923b5814c6600128d0723/1286-HH-E02769112-Gambling_White_Paper_Book_Accessible1.pdf

[29] Office for Health Improvement and Disparities and Public Health England, "Gambling-related harms evidence review: summary" (OHID, 11 January 2023).

https://www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-summary--2#introduction

[30] Arnab Bhattacharjee, Peter Dolton, Max Mosley and Adrian Pabst, "The Fiscal Costs and Benefits of Problem Gambling: Towards Better Estimates" (National Institute of Economic and Social Research, 14 April 2023). https://www.niesr.ac.uk/wp-content/uploads/2023/04/The-Fiscal-Costs-and-Benefits-of-Problem-Gambling.pdf

[31] Department for Culture, Media and Sport, "Online Slots Stake Limit" (DCMS, 18 July 2023). https://assets.publishing.service.gov.uk/media/64bfa45990b54500143e8233/Online_Slots_Stake_Limit_Impact_Assessment.pdf

[32] Gambling Commission Statistics and Research Hub, "Statistics on gambling participation – Year 2 (2024), wave 1: official statistics" (Gambling Commission, 2024). https://www.gamblingcommission.gov.uk/statistics-and-research/publication/statistics-on-gambling-participation-year-2-2024-wave-1-official-statistics

[33] Aveek Bhattacharya, 'Dereliction of Duty: Are UK Alcohol Taxes Too Low?' (Institute of Alcohol Studies, March 2016).

[34] Chris Thomas et al. "Our greatest asset: the final report of the IPPR commission on health and prosperity." (IPPR, September 2024). https://ippr-org.files.svdcdn.com/production/Downloads/Our_greatest_asset_Sept24.pdf

[35] Gambling Commission Statistics and Research Hub, "Industry statistics – February 2024 – Correction: Official statistics" (Gambling Commission, 2024). https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-february-2024-correction

[36] Gambling Commission, "Gambling survey for Great Britain – Annual report (2023): official statistics" (Gambling Commission, 25 July 2024). https://www.gamblingcommission.gov.uk/report/gambling-survey-for-great-britain-annual-report-2023-official-statistics/gsgb-annual-report-problem-gambling-severity-index

[37] Gambling Commission, "Gambling survey for Great Britain – Annual report (2023): official statistics" (Gambling Commission, 25 July 2024). https://www.gamblingcommission.gov.uk/report/gambling-survey-for-great-britain-annual-report-2023-official-statistics/gsgb-annual-report-problem-gambling-severity-index

[38] David Forrest et al, "Patterns of play" (National centre for social research, 9 June 2022). https://natcen.ac.uk/publications/patterns-play

[39] Anonymous (@Anonymous), "Hi, I was wondering how people cope with feelings of guilt and regret? Having wasted well over £20,000 over the last 8 years through gambling and now being in" (GamCare, 13th July 2015, 7:38AM). https://community.gamcare.org.uk/forum/overcoming-problem-gambling/guilt-and-regret/

[40] Health survey for England, "Health survey for England, 2021 part 2" (NHS England, 16 May 2023). https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/gambling

[41] Nadya Ali et al. "Tricks of the trade: how online customer journeys create consumer harm and what to do about it – Annex 2: Online Gambling" (Citizens Advice, November 2022). Report can be found at https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20publications/OCA%20report%20-%20version%202%20(4).pdf and annex can be found at https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20publications/Annex%202%20Online%20gambling.pdf

[42] Health survey for England, "Health survey for England, 2021 part 2" (NHS England, 16 May 2023). https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2021-part-2/gambling

[43] Gambling commission public register, “TGP Europe Limited – Account number 38898” (Gambling Commission 2024). https://www.gamblingcommission.gov.uk/public-register/business/detail/domain-names/38898

[44] James Noyes, Jake Shepherd, “Gambling review and reform: towards a new regulatory framework” (Social Market Foundation, 5 August 2020). https://www.smf.co.uk/publications/gambling-review-reform/

[45] OECD, “Global Minimum Tax” (OECD, 2024). https://www.oecd.org/en/topics/sub-issues/global-minimum-tax.html

[46] Richard Partington, “A historic step: G20 discusses plans for global minimum tax on billionaires” (The Guardian, 29 February 2024). https://www.theguardian.com/news/2024/feb/29/taxation-worlds-billionaires-super-rich-g20-brazil

[47] Betting and Gaming Council, “UK betting and gaming industry leads the way “levelling up” the United Kingdom” (BGC, 6 June 2022). https://bettingandgamingcouncil.com/news/levelling-up-the-united-kingdom

[48] HMRC, “Gambling taxes – remote gaming duty increase” (HMRC, 29 October 2018). https://www.gov.uk/government/publications/remote-gaming-duty-increase/gambling-taxes-remote-gaming-duty-increase

[49] Gambling Commission Statistics and Research Hub, “Industry statistics – February 2024 – Correction: Official statistics” (Gambling Commission, 2024). https://www.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-february-2024-correction

[50] EY, “The economic contribution of the betting and gaming sector: 2021-22” (Ernst & Young LLP, November 2022). https://bettingandgamingcouncil.com/uploads/FINAL-BGC-Economic-Contribution-Report-22.pdf and DCMS, “DCMS Economic Estimates: Monthly GVA (to June 2024)” (DCMS, 20 August 2024). https://www.gov.uk/government/collections/dcms-sector-economic-estimates-gross-value-added#dcms-sector-economic-estimates,-monthly-gva

[51] Soren Christian and Duncan Broadie, “Economic assessment of online gambling in Great Britain” (National economic research associates, 18 July 2024). https://cdn.sanity.io/files/42ezp3kj/production/01361ed79749fb32bbd9e992b6bf849fd25a8b51.pdf

[52] Scott Corfe, Aveek Bhattacharya, Jake Shepherd, “Double or nothing? Assessing the economic impact of gambling” (Social Market Foundation, 10 March 2021). https://www.smf.co.uk/publications/double-or-nothing/

[53] DCMS, “High stakes: gambling reform for the digital age” (DCMS, 27 April 2023). https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age/high-stakes-gambling-reform-for-the-digital-age

[54] Betting and Gaming Council, “Shock new study reveals 1.5 million Brits stake up to £4.3bn on illegal gambling black market each year” (BGC, 19 September 2024). https://bettingandgamingcouncil.com/news/shock-new-study

[55] HMRC, “3. Tax gaps: excise (including alcohol, tobacco and oils)” (HMRC, 20 June 2024). https://www.gov.uk/government/statistics/measuring-tax-gaps/3-tax-gaps-excise-including-alcohol-tobacco-and-oils

[56] Horseracing Industry Grand Committee, “Volume 825” (House of Lords, Thursday 17 November 2022, 4:00PM). https://hansard.parliament.uk/lords/2022-11-17/debates/4117D593-1955-485F-B945-57A0A54D7689/HorseracingIndustry

[57] Gambling Commission, “Gambling survey for Great Britain – Annual report (2023): official statistics” (Gambling Commission, 25 July 2024).

https://www.gamblingcommission.gov.uk/report/gambling-survey-for-great-britain-annual-report-2023-official-statistics/gsgb-annual-report-problem-gambling-severity-index

[58] HBF News, “The risks to racing” (Horseracing Bettors Forum, 4 October 2024). https://ukhbf.org/the-risks-to-racing/

[59] Mark Lloyd, “Business rates are stuck in the past: the enduring case for an online sales tax” (IPPR, 11 September 2024). https://www.ippr.org/articles/business-rates-are-stuck-in-the-past

[60] Craig Arthur Gallet, “Gambling demand: a meta-analysis of the price elasticity” (The journal of gambling business and economics, May 2015). https://www.researchgate.net/publication/343731940_GAMBLING_DEMAND_A_META-ANALYSIS_OF_THE_PRICE_ELASTICITY

[61] Lopez-Gonzalez, H, Estévez, A., & Griffiths, M. D (2017a). Marketing and advertising online sports betting: A problem gambling perspective. Journal of Sport and Social Issues, 41(3), 256-272. doi: 10.1177/0193723517705545

[62] Aveek Bhattacharya, “Autumn budget 2021: what just happened to alcohol duty” (Social Market Foundation, 29 October 2021). https://www.smf.co.uk/commentary_podcasts/alcohol-budget-2021/