

Proposed gambling tax

In 2011 government announced a national gambling tax proposal, that with effect from 1 April 2012, all gambling winnings above R25,000, including those from the National Lottery, would be subject to a final 15 per cent withholding tax. It was also indicated that similar gambling taxes exist in India, the Netherlands and the United States. According to the Minister the proposed gambling tax would assist in discouraging excessive gambling in South Africa.

In the 2013 Budget Speech, it was announced that a national tax based on gross gambling revenue of casinos would be introduced at a rate of 1 per cent in addition to the provincial rates. Accordingly, any proceeds derived by a taxpayer from gambling will be subject to an additional 1 per cent levy on top of an existing provincial gambling tax base of 1 per cent.

Although it was announced in the 2012 budget that the proposed tax would be introduced from 1 April 2013, the announcement made in the 2013 budget gives no indication of a specific date but rather states that the proposed gambling tax is to be implemented before the end of 2013.