

CASINO CONTROL AMENDMENT BILL 1996

EXPLANATORY NOTES

Short Title

Casino Control Amendment Act 1996.

Objectives of the Legislation

The proposed legislation will provide for a reduction in the Casino Tax rate applicable to revenue earned by casinos from premium play from 20% to 10% for casinos in southern Queensland and 10% to 8% for casinos in northern Queensland.

Reasons for the Legislation

To permit Queensland casinos to compete with casinos in other jurisdictions which now have a significant tax advantage in respect of premium play revenues.

Estimated Cost for Government Implementation

Because of the decline in premium play in Queensland casinos due to lower taxation rates in other jurisdictions, the proposed legislation will not impose a cost to the Government and is designed to encourage premium play in Queensland casinos, resulting in an increase in taxation revenue.

Assessment of Bills Consistency with Fundamental Legislative Principles

The proposed legislation may be considered inconsistent with Fundamental Legislative Principles as it is retrospective. However, the amendment reduces taxes on premium player revenues and therefore does not disadvantage casino operators.

Consultation

All Queensland casinos support the proposed legislation.

NOTES ON PROVISIONS

Section 1. Short Title

Section 2. Commencement of the Act is retrospective to 1 July 1996 pursuant to Cabinet Decision 00195 of 29 April 1996.

Section 3. The Bill amends the *Casino Control Act 1982*.

Section 4. Provides definitions and explanations of terms specific to the amendments.

Section 5. Provides for a different rate of tax to apply to revenues from premium play.

Section 6. Provides for a contribution from premium play revenue and casino gross revenue to be applied to the Community Benefit Levy.

Section 7. Provides for the carry forward for up to two months of a tax credit attributed to casino losses. Such tax credits can be offset against future casino tax on winnings in those two months.

Section 8. Provides for the carry forward for up to two months of a Community Benefit Levy credit attributed to casino losses. Such Levy credit can be offset against future levies on winnings in those two months.

Section 9. Provides definitions peculiar to premium play agreements which includes special premium play agreements subject to the lower tax rates.

Section 10. Provides for the recovery of surplus tax paid by casino operators due to the introduction of the new tax rates from 1 July 1996.