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## Value-Added Tax – Gambling

Arising out of a recent judgment of the Court of Justice of the European Communities (the ECJ) in Case [C-58/09](#) (*Leo-Libera GmbH v Finanzamt Buchholz in der Nordheide*) Revenue wishes to clarify that casino businesses which to date have been incorrectly treating the income from gambling as exempt from VAT must now revise their VAT returns by computing the VAT liability at the standard rate on their income and forwarding remittances for additional liabilities to the Collector General.

The reference to the ECJ concerned the interpretation of Article 135(1)(i) of Council Directive 2006/112/EC of 28 November 2006 (the VAT Directive) and the discretionary power of Member States to exempt from VAT betting, lotteries and other forms of gambling.

The ECJ ruled that Article 135(1)(i) must be interpreted as meaning that the exercise of the discretionary power of the Member States to fix conditions and limitations on the exemption from value added tax provided for by that provision allows Member States to exempt only certain forms of gambling from VAT.

In Ireland, the only forms of gambling that are exempt are lotteries, betting at bookmakers or via the totalisator at horse and dog race tracks, as specifically provided for in Schedule 1 paragraphs 10(1) and (2) of the VAT Act 1972-2010. All other forms of gambling carried on as a business are, and have always been, subject to VAT at the standard rate. That treatment has been upheld in a recent decision by the Appeal Commissioners that applied the ECJ decision.