

RC-GEN-23: 2025-26 Budget Measures

Internet gaming tax settings, and sports bookmaker and betting exchange annual tax cap

Purpose

1. This Circular provides information on amendments to the internet gaming tax rate in the *Gaming Control Act 1993*, and sports bookmaker and betting exchange tax cap in the *Racing and Wagering Act 2024*. The amendments form part of the 2025-26 Budget revenue measures announced by the Treasurer on 13 May 2025 and are contained in the *Revenue Legislation Amendment Bill 2025*.

Internet gaming tax settings

2. Under the *Gaming Control Act 1993*, applicants may apply to the Minister for Racing for a licence to conduct an internet gaming business. Internet gaming licences are individually negotiated and administered. The Minister for Racing and the Treasurer jointly negotiate agreement terms, with the Treasurer specifically responsible for negotiating tax rates and levies.
3. The amendments comprise a departure from negotiated tax arrangements in favour of legislated tax settings. Specifically, the Bill amends the *Gaming Control Act 1993* to set a tax rate of 50% on profits from lottery ticket reselling and matching under an internet gaming licence.
4. The Bill also enshrines standardised definitions of 'Gross Profit', 'Net Profit', and 'Tax Amount' so that the 50% tax rate applies uniformly across those licensees conducting ticket reselling/matching. These provisions override existing internet gaming agreements of this type.
5. In addition, the Bill sets a 50% tax rate floor for profits derived under an internet gaming licence. This acknowledges that other activities (i.e. not ticket reselling/matching) are permissible under an internet gaming licence, but that a 50% tax rate may be concessionary for those specific activities.
6. These measures implement an appropriate tax rate for profits derived under internet gaming licences, which applies uniformly. By setting a legislated tax rate, this avoids situations where different licensees are subject to different tax arrangements despite offering similar products, and ensures that prospective licensees are clear on the tax settings applicable to their proposed internet gaming activities.
7. The amendments take effect from 1 July 2025.

Sports bookmaker and betting exchange annual tax cap

8. Sports bookmaker and betting exchange licensees are liable to pay tax at the rate of 5% on net profits (total wagers less amounts paid out in respect of those wagers) or commissions.
9. Bookmaker and betting exchange tax is subject to an annual cap of 1,000,000 revenue units.
10. From 1 July 2025, the value of the tax cap will increase to 2,000,000 revenue units.

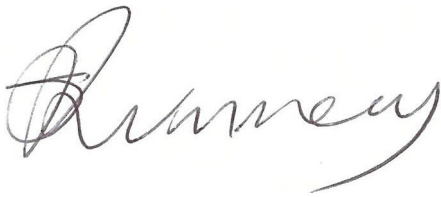
11. In practical terms, this will raise a licensee's maximum annual bookmaker and betting exchange tax liability to \$2.9 million in 2025-26 (a revenue unit has a value of \$1.45 in 2025-26).

Further reading

12. Please refer to the *Revenue Legislation Amendment Bill 2025* and associated explanatory statement for precise details of the amendments.

Revenue circulars

13. Commissioner's Guideline [CG-GEN-001: Revenue Circulars, Commissioner's Guidelines and Payroll Tax Rulings: explanation and status](#), which sets out information on the revenue publication system, is incorporated into and is to be read as one with this Circular. All Circulars and Guidelines are available on the Territory Revenue Office website.



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Date of issue: 16 May 2025

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