Machine Games Duty

1. What you pay it on

You may have to pay Machine Games Duty (MGD) if there are machines that give cash prizes on your premises. You pay duty on:

- slot and fruit machines, and other gaming machines
- quiz machines and other 'skill with prize' machines

You don't pay it on machines where the prize is less than the cost to play, or on takings from charity events, tournaments, lottery machines or if the machine is for domestic use.

> Your takings from machine games will be exempt from VAT if you pay MGD.

Who's responsible for registering and paying

If you're responsible for MGD you'll need to register, send regular returns, pay duty and keep records.

It's your responsibility if you hold any of the following licences:

- premises licence, for example for gambling duties or alcohol
- family entertainment centre gaming machine permit
- club premises certificate, a club gaming permit or club machine permit
- prize gaming permit or amusement permit
- registration certificate including a club registration certificate
- bookmaking office licence or bingo club licence
- licence to sell alcohol in Northern Ireland

If your premises doesn't have a licence, HM Revenue and Customs (HMRC) will ask someone else, usually the manager or owner, to register and pay the duty.

There are different rules if you're the tenant of a pub. You're responsible for MGD, not the premises licence owner (usually the pub's owner).

> **If you don't register when you should, you may have to pay a penalty and be made to register.**

2. Register

Register for Machine Games Duty (MGD) at least 14 days before you make your machines available to play.

You register by adding MGD to your HM Revenue and Customs (HMRC) account. If you don't have one (or only have an account for personal tax), create an account (https://www.tax.service.gov.uk/government-gateway-registration-frontend?accountType=organisation&continue=https%3A%2F%2Fonline.hmrc.gov.uk%2Fhome&origin=unknown) as an organisation.

To register for MGD, you'll need:

- any licence or permit numbers for your premises
- your Unique Taxpayer Reference (UTR), if you're registered for Self Assessment or Corporation Tax
- your VAT number, if you're registered for VAT
- your National Insurance number
- to know how many machines you have
- your accountant's MGD agent reference number and postcode, if you want them to file returns on your behalf

Register now (https://www.tax.service.gov.uk/gg/sign-in?continue=https%3A%2F%2Fonline.hmrc.gov.uk%2Fhome)

After you've registered

You'll need to keep accurate records to show:

- how you worked out the figures for your return
- that the amount you've paid is correct

Keep your records for 4 years as HMRC might ask to see them.

If you want to file paper returns

Fill in and send the registration form (https://www.gov.uk/government/publications/gambling-duties-machine-games-duty-application-to-register-a-business-mgd1) if you want to file paper returns.

3. How much you pay

You pay Machine Games Duty (MGD) on the total net takings from your machine games.

This is what you charge to play the games minus the amount you pay as winnings, including non-cash prizes.

> You don't pay it on takings from charity events, tournaments, lottery machines or if the machine is for domestic use.

MGD rates

Machine Type	Cost to play	Prize	Rate you pay
Type 1 - lower rate	20 pence or less	£10 or less	5%
Type 2 - standard rate	21 pence to £5	£11 or more	20%

Machine Type	Cost to play	Prize	Rate you pay
All others - higher rate	More than £5	Any	25%

If your machine has more than one type of game, you pay the rate for the highest rated game on all takings from the machine.

Example If your machine has 5 games that cost 20 pence to play, and one that costs £6 to play, you'd pay 25% on your net takings from the machine.

4. File your return

You must file a Machine Games Duty (MGD) return every 3 months.

Your return is due within 30 days of the end of the accounting period. You'll get a reminder if you included your email address when you registered online.

You'll need:

- records of your total net takings from machine games
- details of how you worked out the figures

You still fill in a return even if you don't owe anything - enter '0' in all boxes.

File your return (https://www.tax.service.gov.uk/gg/sign-in?continue=https%3A%2F%2Fonline.hmrc.gov.uk%2Fhome)

After you've filed your return

Pay your MGD bill (https://www.gov.uk/pay-machine-games-duty) within 30 days of the end of your accounting period.

You may have to pay a penalty if your return or payment is late. HMRC can also charge you an estimate of what you owe.

If you chose to file using paper forms

HM Revenue and Customs (HMRC) will send you paper forms when your return is due. If you don't receive them, contact the helpline (https://www.gov.uk/government/organisations/hm-revenue-customs/contact/gambling-duties).

5. Change your details

Sign in to the Machine Games Duty (MGD) service (https://www.tax.service.gov.uk/gg/sign-in?continue=https%3A%2F%2Fonline.hmrc.gov.uk%2Fhome) to:

- change your contact address or other details
- cancel your registration if you've stopped trading, no longer have machine games or want to be registered as part of a group of companies
- add, change or remove an authorised agent to file returns for you

You can also contact HM Revenue and Customs (https://www.gov.uk/government/organisations/hm-revenue-customs/contact/gambling-duties) (HMRC) by phone or post. You'll need to tell them your registration number.

Switch to file online instead of sending paper returns

If you already have an HMRC online account, sign in to add the MGD service (https://www.tax.service.gov.uk/business-account/add-tax/other).

Otherwise, register for an HMRC account (https://www.tax.service.gov.uk/government-gateway-registration-frontend?accountType=organisation&continue=https%3A%2F%2Fonline.hmrc.gov.uk%2Fhome&origin=unknown) and sign up for MGD.