



**Inland Revenue**  
Te Tari Taake

**IR180**  
July 2019

# Gaming machine duty

A guide for organisations that  
operate gaming machines

# Introduction

Organisations that operate gaming machines are required to pay a gaming machine duty (GMD) on the profits taken from these machines.

This guide explains which machines this applies to and how to calculate and pay the duty.

## [www.ird.govt.nz](http://www.ird.govt.nz)

Go to our website for information and to use our services and tools.

- **Log in or register for myIR** - manage your tax and entitlements online.
- **Demonstrations** - learn about our services by watching short videos.
- **Get it done online** - complete forms and returns, make payments, give us feedback.
- **Work it out** - use our calculators, worksheets and tools, for example, to check your tax code, find filing and payment dates, calculate your student loan repayment.
- **Forms and guides** - download our forms and guides.

### Forgotten your myIR user ID or password?

Request a reminder of your user ID or reset your password online. You'll need to know your IRD number and have access to the email address we hold for you.

## How to get our forms and guides

You can get copies of all our forms and guides by going to [www.ird.govt.nz](http://www.ird.govt.nz) and entering the shoulder number in the search box. You can also order copies by calling 0800 257 773

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# Part 1 – About gaming machine duty (GMD)

## What is gaming machine duty?

Gaming machine duty (GMD) is a duty payable on the "gaming machine profits" that an organisation takes from its gaming machines. It's charged at 20% of the profits.

## Which machines are gaming machines?

A gaming machine is any machine or device that is adapted, designed or constructed for use in gambling.

It doesn't include:

- a device used only to draw a lottery
- a random selection device used for housie
- a device used only to dispense tickets that can't be used to decide the outcome of gambling
- a communication device that is used both to dispense tickets in and draw a lottery that is a sales promotion scheme.

## Who must pay GMD?

All gaming machine operators must pay GMD. This includes:

- any society licensed to operate gaming machines under the Gambling Act 2003
- any person who operates a gaming machine, but isn't licensed under the Gambling Act 2003.

## What to do if you're liable for GMD

You must register as a gaming machine operator. Complete a *Gaming machine duty-registration (IR181)* form online at [www.ird.govt.nz](http://www.ird.govt.nz) or download and complete this form.

Post your completed registration to the nearest address on page 17.

If you're registering a new club, society or trust, you'll also need to complete the *IRD number application-non-individual (IR596)* form. You can download a copy of this form from [www.ird.govt.nz](http://www.ird.govt.nz) or order one by calling 0800 257 773.

Your IRD number is preprinted on all the returns and forms we send you. Please quote this number whenever you contact us.

## Problem gambling levy

Problem gambling levy (PGL) is payable on gaming machine profits and is charged at 0.78% plus GST.

For further information about the development, management and delivery of the problem gambling strategy, contact the Ministry of Health or visit [www.moh.govt.nz](http://www.moh.govt.nz)

## Record keeping

You must keep full records of all the GMD you pay. Your records must be in English, unless we give you written authority to keep them in another language. You're required to keep your records for seven years. If we're currently auditing or have contacted you about auditing your records, we may ask you to keep them for a further three years.

## Part 2 – Calculating the duty

### How GMD is calculated

If you're a gaming machine operator you must calculate and pay GMD for each calendar month. GMD is calculated on each machine's gaming machine profit. Gaming machine profit (GMP) is calculated for a given period as follows:

	The increase in metered <b>turnover</b>
<i>less</i>	the increase in metered <b>total wins</b>
<i>less</i>	jackpot prizes awarded (if these aren't included in metered total wins)
<i>plus or minus</i>	required adjustments
<i>equals</i>	gaming machine profits

All gaming machines are connected to an electronic monitoring system (EMS). The EMS will show the following:

- the amount of money gambled on gaming machines
- the amount required to be banked
- the location and number of machines
- gaming machine usage
- machine faults and tampering.

GMD is calculated at 20% of all gaming machine profits and PGL is calculated at 0.78% of all gaming machine profits plus GST.

If your organisation is registered for GST, GMD and PGL must be calculated on gaming machine profits which are GST-inclusive.

**Turnover** means the total amount of all bets made on a gaming machine during the return period (this is the amount of money gambled on gaming machines).

**Total wins** means the total amount of all prizes paid from a gaming machine from all games during the return period. This includes individual game wins, but doesn't include wins awarded by a linked jackpot system.

Linked jackpot systems are of two basic types:

- downloadable and
- non-downloadable.

In both cases, wins awarded by these systems are recorded by the relevant EMS reports separately from "Total wins".

If, for any reason, a prize awarded by a gaming machine or jackpot system hasn't been paid out to a player, the amount won must not be included in the calculation of GMP. This can happen for example, when payment is refused on the grounds that the player is under-age, or the win has occurred as a result of faults or malfunctions of gambling equipment.

Gaming machine profit is calculated using the Department of Internal Affairs report, *The Gaming Machine - Monthly Meters plus Adjustments for Month Report*.

EMS produces a specific report at calendar monthly intervals to help calculate taxes and levies. This is the *Monthly Venue Activity - Society Level (7.2.10)* report. It's generated within 5 days of the end of the month. The report includes all relevant data to determine the amount of gaming machine profits for the preceding monthly period. Use this report to fill in the gaming machine profits section of your *Gaming machine duty (IR680)* return.

## For more help

If you need assistance in:

- interpreting EMS reports
- knowing when a GMP adjustment needs to be made
- calculating your gaming machine profits

contact your nearest Department of Internal Affairs Gambling Compliance office.

All gambling compliance staff can be contacted by phoning 0800 257 887.

EMS reports are available to registered users at [www.dia.govt.nz](http://www.dia.govt.nz) (search keywords: Electronic Monitoring System (EMS)) then choose EMS reporting login.

For problems accessing the reports, please contact [helpdesk@intralot.co.nz](mailto:helpdesk@intralot.co.nz) or phone 0800 468 725.

For general information on gaming machines, go to [www.dia.govt.nz](http://www.dia.govt.nz)

## Part 3 – Paperwork and payments

### Filing returns

You must file a *Gaming machine duty (IR680)* return and pay the duty each month. We'll send you an IR680 before the due date each month or you can complete your return at [www.ird.govt.nz](http://www.ird.govt.nz)

You can apply for a return period that ends within seven days either side of the last day of the month, if this will help you to coordinate your internal month-end accounting system.

### Paying the duty

You must send us your return and payment by the 20th of the month following the month in which the gaming machine profits were collected. For example, the return and payment for July 2019 are due on 20 August 2019.

If the due date falls on the weekend or public holiday you can make your payment on the next working day without penalty.

If you made a loss or didn't operate your gaming machine during the month, you must still file a "nil" return. Losses can't be carried forward because the gaming machine profit can't be less than zero.

### Completing the IR680

We send you an IR680 automatically about three weeks before your payment is due. It shows these preprinted details:

- your name and address
- your IRD number
- the period the IR680 covers
- the due date for payment.

There's an example of an IR680 on page 9, showing the preprinted details and the information you need to fill in. Once you've completed it, tear off the bottom (pink) part and send it to us with your payment by the due date. Keep the top (white) part for your records.



# Gaming machine duty

Gaming Duties Act 1971/Gambling Act 2003

IR680  
July 2019

## Your copy

ABC Organisation  
99 Riverside Terrace  
Govantown

IRD number	<b>1</b> ▶	8 7 6 5 4 3 2 1
Period ended	<b>2</b> ▶	3 1 1 0 2 0 1 8
Gaming machine profits	<b>3</b> ▶	\$ 1 0 0 0 0 . 0 0
Gaming machine duty Multiply Box 3 by 0.2	<b>3A</b> ▶	\$ 2 0 0 0 . 0 0
Net problem gambling levy Multiply Box 3 by 0.0078	<b>3B</b> ▶	\$ 1 3 1 . 0 0
GST on net problem gambling levy Multiply Box 3B by 0.15	<b>3C</b> ▶	\$ 1 9 . 6 5
Total payable Add Boxes 3A, 3B and 3C	<b>4</b> ▶	\$ 2 1 5 0 . 6 5

- Please read the notes on the back before completing this return.
- If you need any help, please use the the *Gaming machine duty (IR180)* guide, or call us on 0800 377 774.

▲ Keep the top part for your records.

▼ Send the pink part to Inland Revenue.

These details will be preprinted.



# Gaming machine duty

## Inland Revenue copy

IR680

ABC Organisation  
99 Riverside Terrace  
Govantown

IRD number	<b>1</b> ▶	8 7 6 5 4 3 2 1
Period ended	<b>2</b> ▶	3 1 1 0 2 0 1 8
Gaming machine profits	<b>3</b> ▶	\$ 1 0 0 0 0 . 0 0
Total payable copied from Box 4 above	<b>4</b> ▶	\$ 2 1 5 0 . 6 5

Enter the amount of gaming machine profits for the month for all machines.

Enter the total amount payable here.

OFFICE USE ONLY

Correspondence indicator

**Declaration** I declare the information given in this return is true and correct.

Signature

*TP Hannah*

2011/18

Date

Sign and date.



Register for a myIR account to file your returns and make payments online  
20 November 2018

IRD number	8 7 6 5 4 3 2 1
Period ended	3 1 1 0 2 0 1 8

These are preprinted.

Amount enclosed \$ 2 1 5 0 . 6 5

Enter your payment.

Gaming machine duty

## How to make payments

You can make payments:

- electronically
- by credit or debit card through our website at [www.ird.govt.nz/makepayments](http://www.ird.govt.nz/makepayments).

We recommend you pay electronically because it’s the most accurate and reliable method. Most New Zealand banks have a “pay tax” option.

When making electronic payments, include:

- your IRD number
- an account type, and
- the period the payment relates to.

Go to [www.ird.govt.nz/pay](http://www.ird.govt.nz/pay) for full details of our payment options.

### Example

This example shows a completed electronic payment instruction to pay \$2,150.65 towards gaming machine duty for the period ending 31 October 2018.

Example of electronic payment instruction

Payee name				Amount			
I N L A N D R E V E N U E				2 1 5 0 . 6 5			
Bank	Branch	Customer number	Suffix				
0 3	0 0 4 9	0 0 0 1 1 0 0	2 7				
Particulars			Payee code	Reference			
8 7 6 5 4 3 2 1			G M D 3 1 1 0 2 0 1 3				

Payee name and bank panels	Enter Inland Revenue and our account number 03 0049 0001100 27
Particulars	Your IRD number
Payee code	Payee code must be GMD, space then your return period end date with no spaces or dashes
Reference	Leave this blank

## Notice of assessment

We'll send you a notice of assessment after processing your return. The bottom portion will be a tax invoice showing the GST content of PGL. If we reassess an assessment, this will either be a debit or credit note.

If your organisation is registered for GST, you must include this information in your GST return.

## Statement of account

We'll send you a statement of account if you don't pay the full amount owing. The statement has a payment section at the bottom. Please use this to pay the amount shown as owing. If you can't make the payment by the due date, call us on 0800 377 771.

If the statement is showing an overpayment, you need to contact us to request either a refund or a transfer to another period or tax type.

We also send a statement after certain transactions, such as:

- a transfer from another tax type (eg GST or PAYE) or account
- a back-period adjustment
- if you make a payment without any IR680 details.

You can also request a statement of account at any time to keep you up-to-date with the duty paid on your account. Call us on 0800 377 774 - for service times see page 16.

Not all transactions are shown on a statement, for example, penalties that have been charged and then reversed. Credits of less than \$5 are rolled forward to the next period.

## If you disagree

On occasions you may disagree with our views or actions. You should use Inland Revenue's disputes resolution process if you:

- think an adjustment or assessment is wrong, or
- disagree with our *Notice of proposed adjustment (IR770)*.

There are rules and time limits governing this process. For more information read our factsheet *If you disagree with an assessment (IR778)*.

## If you don't send in a return or pay the duty

If you don't file your return by the due date, we'll issue an assessment charging you an estimate of your amount payable. This is known as a default assessment. You are legally required to pay the default assessment and you must still file your return.

Late payment penalties and interest will be charged on the estimated amount if it isn't paid.

When you send us your completed return, we'll replace the default assessment with the actual assessment worked out from your return. You'll have to pay any tax owing from your actual assessment, including any penalties and interest that apply.

If you don't pay your GMD and PGL, we'll recover the amount from whoever is legally liable for your organisation's debts. By law, the officers, trustees, other managers or members of an organisation are jointly and severally liable for any GMD and PGL unpaid by the organisation.

We can also recover unpaid amounts from a third party who owes you money. This means the third party will make the payments to us instead of to you until the amount is paid.

## Income tax

If you're licensed to operate gaming machines, all income from gross gambling proceeds is exempt from income tax.

### To calculate your gross gambling proceeds take your:

	turnover
<i>plus</i>	interest or other investment return on the turnover
<i>plus</i>	proceeds from the sale of fittings, chattels and gambling equipment purchases from the turnover or investment return
<i>less</i>	prizes
<i>equals</i>	gross gambling proceeds

If your only source of income is from gross gambling proceeds, you'll automatically qualify for an exemption from income tax. If this situation applies to you, let us know so we don't send you any income tax returns.

If you receive other income, only the income from gross gambling proceeds will be exempt from income tax. In this case you'll need to file an income tax return, unless you have an exemption from us.

## **GST (goods and services tax)**

If your taxable supplies (including gaming machine revenue) have exceeded or are expected to exceed \$60,000 in any 12-month period, you are required to register for GST. Even if your organisation is exempt from income tax, the exemption doesn't apply to GST.

If your organisation isn't registered for GST, but may need to be, read our factsheet *GST - do you need to register? (IR365)*.

GST is paid on gaming machine revenue. Gaming machine revenue for GST purposes is calculated in the same way as gaming machine profit for GMD - see page 6.

*The Gaming Machine - Monthly Meters plus Adjustments Report* should be prepared on a monthly-calendar cycle which coincides with the last day of your taxable periods for GST purposes. This means that the report prepared for the months during your taxable periods can be used to calculate the gaming machine revenue.

### **Problem gambling levy**

In your GST returns, you may claim back the GST on PGL. We'll send you a tax invoice so that you have the necessary documentation to do this.

We'll also send you a credit note if we reassess a period that reduces PGL, or a debit note if we increase an earlier assessment.

The rules about when you may make claims depend on the GST accounting basis you are registered for. For more information about accounting for GST, see our *GST guide (IR375)*.

## If you stop operating gaming machines

If you are ceasing operations for a few months of the year, you must file “nil” returns for the months that your machines do not operate.

However, if you stop operating permanently, please send a letter with your final return telling us when you stopped operating, along with disposal details of the gaming machines.

If Internal Affairs cancels your licence as an operator or refuses to renew it, you must file a final return by the due date.

## Late payment

We may charge you a late payment penalty if you miss a payment or it's late. We'll also charge you interest if you don't make your tax payment by the due date.

Call us if you can't pay your tax by the due date. We'll look at your payment options, which may include an instalment arrangement depending on your circumstances.

For more information go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keywords: managing penalties).

## Part 4 – Services you may need

### If you need more help

If you need to contact us about anything in this publication, please call 0800 377 774, 8 am to 8 pm Monday to Friday, and Saturday between 9 am and 1 pm.

For further information about the administration of the New Zealand gambling legislation, contact the Department of Internal Affairs or visit [www.dia.govt.nz](http://www.dia.govt.nz)

### 0800 self-service numbers

This service is available to callers seven days a week except between 5am and 6am each day. Just make sure you have your IRD number ready when you call.

For access to your account-specific information, you'll need to be enrolled with voice ID or have a PIN. Registering for voice ID is easy and only takes a few minutes. Call 0800 257 843 to enrol.

Order forms and publications	0800 257 773
All other services	0800 257 777

When you call, just confirm what you want from the options given. If you need to talk with us, we'll re-direct your call to someone who can help you.

## Supporting businesses in our community

Our Community Compliance teams offer a free tax education service to businesses and not-for-profit organisations to help them meet their tax obligations. The service is available to individuals (one-on-one meetings) and groups (workshops or seminars).

Use this service to find out more about:

- the records you need to keep
- the taxes you need to know about
- how to best use our online services
- completing your tax returns (eg GST, employer returns)
- filing returns and making payments
- your KiwiSaver obligations.

Our kaitakawaenga Māori are available to advise Māori organisations and individuals.

Check out our short videos at [www.ird.govt.nz/introbizvids](http://www.ird.govt.nz/introbizvids) then go to [www.ird.govt.nz/contact-us/seminars](http://www.ird.govt.nz/contact-us/seminars) to find a seminar near you.

## Postal addresses

Payments	Returns	General correspondence
Inland Revenue PO Box 39050 Wellington Mail Centre Lower Hutt 5045	Inland Revenue PO Box 39090 Wellington Mail Centre Lower Hutt 5045	Inland Revenue PO Box 39010 Wellington Mail Centre Lower Hutt 5045

For a full list of addresses select the “post” icon at [www.ird.govt.nz/contact-us](http://www.ird.govt.nz/contact-us) and choose from the dropdown options.

## Privacy

Meeting your tax obligations means giving us accurate information so we can assess your liabilities or your entitlements under the Acts we administer. We may charge penalties if you don't.

We may also exchange information about you with:

- some government agencies
- another country, if we have an information supply agreement with them
- Statistics New Zealand (for statistical purposes only).

If you ask for the personal information we hold about you, we'll give it to you and correct any errors, unless we have a lawful reason not to. Call us on 0800 775 247 for more information. For full details of our privacy policy go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keyword: privacy).

## If you have a complaint about our service

We're committed to providing you with a quality service. If there's a problem, we'd like to know about it and have the chance to fix it.

For more information, go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keyword: complaints) or call us on 0800 274 138 between 8am and 5pm weekdays.

If you disagree with how we've assessed your tax, you may need to follow a formal disputes process. For more information, go to [www.ird.govt.nz](http://www.ird.govt.nz) (search keyword: disputes).

