

GAMING & BETTING UPDATE

Irish Budget 2021

On Tuesday 13 October 2020, Minister for Finance Paschal Donohue TD and the Minister for Public Expenditure and Reform, Michael McGrath TD, presented Budget 2021.

The Budget has been shaped in the context of the COVID-19 pandemic and in the midst of a potential "No Deal" Brexit taking effect on 1 January 2021.

Some of the measures in the budget were introduced with immediate effect and others will take effect from January 2021 or later in 2021. Further detail in respect of other measures will be contained in the Finance Bill 2020 which will be published on 22 October 2020. This should be signed into law before the formal legislative deadline which falls on Christmas Day (25 December) 2020.

At this stage, the key points of interest for the gaming and betting community include:

No increase in betting duty – Minister Donohue held off a much forecasted increase in betting duty. Betting duty will remain at 2% of turnover for bookmakers and remote bookmakers, and 25% of commissions for remote betting intermediaries.

Tax credit for the digital gaming sector – Following a similar move in the UK a number of years ago, work on the development of a tax credit for the digital gaming sector will commence in 2021. It is hoped that a tax credit for qualifying activity will be available from January 2022 onwards.

Minister Donohue noted the exponential global growth of the digital gaming sector in the past decade. He also recognized the importance of the sector and the possibility for "*potential synergies with our established film and animation sectors to support quality employment in creative and digital arts in Ireland*".

Knowledge Box Credit extension - extension of the Knowledge Development Box relief available in respect of certain IP development activities until December 2022.

A company qualifying for Knowledge Development Box relief (i.e. qualifying R&D activities for computer programmes, patent protected inventions and small company patentable IP) may be entitled to a deduction equal to 50% of its qualifying profits. This relief is to be extended for a further two years until the end of December 2022.

For further information please contact [Máire Conneely](#) or [Joe Kelly](#) or your usual A&L Goodbody contact.