

IRISH BOOKMAKERS ASSOCIATION

Submission to the Minister for Finance On Budget 2026

From The Irish Bookmakers Association,

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1. Executive Summary

- In Budget 2026, the Irish Bookmakers Association (IBA) calls on the Government to maintain the current betting duty rate of 2% and **refrain from introducing any additional taxation on the betting industry**. The sector currently faces significant economic pressures, including declining revenues, rising operating costs, and the looming introduction of substantial regulatory compliance expenses associated with the Gambling Regulatory Authority of Ireland (GRAI).
- This submission underscores the economic significance of the sector, **which employs over 6,000 people across Ireland** and contributes over €170m to the exchequer including income tax, USC, PRSI, corporation tax (where profits are generated), betting tax and VAT on purchases from the betting sector (based on 2024 retail estimates plus remote betting excise, but without other tax from remote sector).
- Despite overall economic growth in Ireland, betting turnover has **significantly underperformed relative to other sectors**, further indicating the industry's fragility.
- Since the doubling of betting duty in 2019, retail betting operators have experienced a notable reduction in profitability, leading directly to ongoing closures of betting shops and job losses, especially impacting rural areas. **Further financial burdens at this critical transitional phase could exacerbate these closures, reduce legitimate market participation, cause further unnecessary job losses and inadvertently drive consumers towards unregulated black-market operators**. This scenario would not only compromise consumer protections, but also diminish tax revenues for the state.
- The Irish Bookmakers Association highlights the national recognition of the deterioration in the retail cost environment, a reality explicitly acknowledged in the 2025 Programme for Government. The Programme specifically identifies the severe challenges facing small and medium-sized enterprises, particularly those in retail, due to escalating operational expenses. **Increasing the betting duty would undermine Government efforts to prevent closures within the retail sector**.
- While the IBA fully supports the new regulatory framework and the proposed mandatory contributions to a Social Impact Fund, it urges the Government to ensure these additional compliance measures and costs remain proportionate and fair. A balanced approach is crucial to safeguarding the commercial viability of the industry, maintaining employment levels, ensuring consumer protection, and sustaining the significant economic and fiscal contributions already made by the sector. **Increasing the betting duty before the impact of the new licensing framework can be assessed, would be the worst possible timing**, and may compromise the aims of the Gambling Regulation Act by making unlicensed operators more attractive to consumers.

2. Introduction and Budget 26 Recommendation

This submission provides detailed information and statistics in relation to the weak economic and commercial situation of the retail betting industry. It shows that the closure of betting shops is continuing, the sector's revenue is declining, operating costs are increasing greatly, and the sector's

performance significantly lags behind that of the overall economy. In addition, the global and Irish economies face a problematic short-term future due to various geopolitical and international economic issues.

The industry faces a significantly altered regulatory environment with the establishment of the Gambling Regulatory Authority of Ireland (GRAI) under the Gambling Regulation Act 2024. The new regulatory regime will result in substantial additional compliance costs for the betting sector. The IBA believes the new regulatory regime is a positive step towards creating a safer and sustainable market and are fully supportive. However, the level of compliance costs should be considered in full awareness of the current high level of betting duty, the costs of operation and the weak commercial position of the retail sector. Budget 26 decisions should fully reflect these factors.

While we accept that there will be costs associated with the ongoing work of GRAI, it is important that these costs are proportionate and do not create an undue and damaging burden on operators. We also support the idea of mandatory contributions to a social impact fund, but it should be implemented in a fair and balanced manner, taking into account the other unique costs already or likely to be imposed on the industry, such as taxation, licence fees and enterprise compliance costs.

The increased taxation rate imposed on the industry via the doubling of the betting duty in 2019 has had a negative impact on the financial viability of many operators. This has led to a further reduction in legal operators and premises, and a migration to illegal operators, who generally do not pay taxes or provide the customer safeguards that licensed operators apply. This not only results in a loss of revenue for the government, but also undermines the very purpose of regulation in the first place.

This submission identifies;

- the increased uncertainty about the macroeconomic environment,
- the relatively good position of the public finances,
- the need to avoid enhancing black market operations,
- the 100% increase in betting tax in 2019,
- the substantial economic contribution of the betting industry,
- the already substantial betting industry exchequer contribution,
- the relatively weak retail betting turnover performance compared to the economy as a whole,
- the continuing closure of retail betting shops with the associated employment loss,
- the declining level of turnover of traditional betting shops,
- the substantial cost increases of recent years borne by the betting industry,
- the increased cost for enterprises of the new regulatory system,
- and the severe drop in betting shop profitability.

In light of these circumstances, the IBA believes it would be inappropriate to contemplate any increase in betting tax in Budget 26. **A period of cost-increasing regulatory transition requires stability rather than additional financial strain, to allow businesses to adapt without severely damaging, or eliminating, their capacity to comply or compete.**

3. The Economy and the Public Finances

The Irish economy is currently expected to perform relatively well in 2025 and 2026. However, there are substantial uncertainties which are mainly related to the economic and trade policies of the United States. Should the worst expectations be realised, economic performance will be weaker than is anticipated currently. It is vital that the competitive position of businesses contributing positively to the Irish economy not be compromised by additional tax burdens. In any event, as discussed in the submission, betting turnover in recent years has greatly underperformed relative to overall economic performance. What is clear, is that there will be no short-term economic boom to come to the rescue of the retail betting industry. The latest EY Economic Eye forecasts (published Feb 2025) expect consumption to grow by 3% in volume in 2025 and 2.7% in 2026. Modified domestic demand will grow by 3.3% in 2025 and 3.2% in 2026. The remarkable labour market performance will continue with employment growth in 2025 and 2026.

The Government's Economic and Fiscal Outlook for Budget 2025 expected modified domestic demand growth of 2.9% in 2025 and 3.0% in 2026. It also expected a strong labour market performance.

While not as strong as the headline figures might indicate, the public finances are reasonably robust to the extent that Government should not be imposing additional taxes on the betting industry. The underlying Government balance is expected to be a surplus of 2.4% of GNI*. When windfall and Apple receipts are removed the surplus turns into a deficit of 7.0% of GNI* which is equivalent to about 4% of GDP. Prudent management of the public finances is required in Budget 26, but we believe that tax increases on the betting sector should be avoided.

4. The Economic and Commercial Context for the Betting Sector; Turnover and Gross Win

As we will see the betting industry is large, providing well over 6k jobs in the entire industry, and having a turnover of over €2.3 billion in the retail sector of the industry. Average turnover or revenue per betting shop is €3.3 million. This, on first consideration, seems like a strong industry. Average turnover per shop seems relatively high. But, turnover gives a misleading impression of the betting industry. Most of this turnover, around 87% is returned to the customers in winnings and the industry is left with the remaining 13%, known as gross win, to pay wages, other operating costs and betting tax. As shown below, shops with turnover below the average operate on a loss.

Amidst the current economic environment in Ireland, betting enterprises have to navigate a landscape of high operating costs. In addition, as noted above the gambling industry operates on a particularly sensitive economic model. Our sector is distinguished by its reliance on the delicate balance between turnover (stakes) and operational costs, given that it functions with high turnover but extremely low margins. Margins are highly dependent on sporting results, all of which are outside of the operators' control.

5. Substantial Employment and Economic Impact

Betting generates substantial employment across Ireland, ranging from traditional bookmaker shops spread throughout the country to headquarters-based operations and internet betting activities.

To clearly illustrate the scale and economic importance of the gambling and betting sector, we use official employment statistics collected by the Central Statistics Office (CSO). These statistics are categorised under NACE Division 92, the official EU statistical classification used specifically to group all gambling and betting activities, including casinos, bingo halls, video gaming terminals, lotteries, and off-track betting.

Although various statistical issues prevent the CSO from publishing employment figures for every quarter, available data clearly demonstrates the significance of the betting sector. The latest data (Quarter 2, 2024) indicates that approximately 6,600 people are employed in this sector. Previously, employment figures were recorded as high as 8,700 in Quarter 4, 2023, with differences possibly arising from data collection methods. Overall, employment in Ireland's betting sector consistently ranges between six and seven thousand people.

Table 1. Total employment in Nace 92, Gambling and betting activities

Period	Employment (k) persons
2022 Q1	8.5
2022 Q2	6.7
2022 Q3	n.a.
2022 Q4	7.8
2023 Q1	6.9
2023 Q2	n.a.
2023 Q3	6.8
2023 Q4	8.7
2024 Q1	7
2024 Q2	6.6
2024 Q3	n.a.
2024 Q4	n.a.

Source: CSO

Details of the economic structure of the betting industry are collected by the CSO in their distribution and services enterprises data series. Unfortunately, the latest year available is 2021 and both 2021 and 2020 are affected by the Covid situation. Therefore, we confine our examination to the 2019 data which are not affected by Covid.

As seen below, Turnover is almost €5 billion. Purchases, which includes paid-out winnings is €4.3 billion or 89%. Production value, an approximation of usual business gross margin is €874 million. In 2019 the industry paid out €238 million in payroll costs and €217 million in wages and salaries. The average annual wages or salaries per employee was €26,759 and 8,313 persons were employed in the industry. Gross value added generated by the industry was €516 million.

Table 2. Economic structure of betting and gambling industry (Nace 92) 2019

Item	Number / € Thousand
Distribution and Services Enterprises	416
Turnover (€ Thousand)	€4,827,097
Purchases (€ Thousand)	€4,303,183
Production Value (€ Thousand)	€873,532
Personnel Costs (€ Thousand)	€237,761
Wages and Salaries (€ Thousand)	€216,825
Gross value added at factor cost (€ Thousand)	€516,201
Persons Engaged	8313
All Employees	8103
Average wages/salaries per employee (€)	€26,759

Source: CSO

6. Decline in Turnover in Betting Shops

There has been a substantial decline in betting shop turnover since 2018. Based on Revenue figures, turnover in betting shops was €2,874.248 million in 2018. This had declined to €2,341.89 million in 2024. This is a decrease of €532.358 million or 18.5%. Remote betting increased from €2,149.802 million to €2,831.125 million, an increase of €681.323 million or 31.7%. Traditional shop betting decreased from a share of 57.2% in 2018 to 45.3% in 2024.

The decline in traditional betting shop turnover is caused by the weak commercial viability of retail outlets which is caused by increased operating costs and the doubling of the betting tax in 2019 in addition to the economy-wide shift to internet services.

The combined shop and remote turnover was €5,024.05 million in 2018 and this increased by €148.965 million or 3.0% to €5,173.015 million in 2024. While shop and remote betting turnover increased by 3.0% between 2018 and 2024, total final consumption expenditure of households

increased by 41.3% in current terms between 2018 and 2023 and total employee earnings grew by 47.2% between 2018 and 2023.

The growth in combined shop and remote betting turnover greatly underperformed, relative to the wider economic performance.

Table 3. Turnover in traditional betting shops and remote betting 2018 to 2024 (€ million)

Year	Traditional shops (€m)	Remote (€m)	Total (€m)
2018	€2,874.2	€2,149.8	€5,024.1
2024	€2,341.9	€2,831.1	€5,173.0
% Change	-18.50%	31.70%	3.00%
€m Change	-€532.4	€681.3	€149.0

Source: Revenue Commissioners

7. Betting Shops Continue to Close

Betting shop numbers have continued to decline since the doubling of the betting duty from 1% to 2% in 2019. In 2018 there were 859 betting shops and this had declined to 731 in 2024. This is a decrease of 148 shops or 17.2% over the period. While there has been a pattern of shop closures from 2008 onwards, the rate of closure had slowed significantly prior to the increase in the betting duty. A continuation of high betting tax, policy-induced higher operating costs especially labour costs and general high-cost inflation, will result in additional closures throughout the country, particularly in rural areas and small towns.

On average, each betting shop employs about five persons or four full-time equivalents. It is likely smaller shops would be more likely to close than larger shops, each closure could cause four people to lose either a full-time or part-time job. The total closures of 148 shops would be associated with a loss of about 600 jobs.

Table 5 Betting shop numbers and annual closures 2018-2024



Source. IBA

8. The Tax Take from Betting

In addition to the tax revenue generated by the betting sector through income tax, universal social charge, social insurance contributions, corporation tax and local government commercial rates, the exchequer also benefits from betting duty receipts. The figures for 2024 betting receipts are complicated by, as noted on the Revenue website..."a correction to Betting Duty payments was brought to account in quarter 2 of 2024 which affected collections in Q3."

Table 6. Betting tax receipts 2023 and 2024, categories (€ million)

Year	Traditional	Remote	Intermediate	Total betting duty
2023	€ 47.538	€ 51.322	€ 3.820	€ 102.680
2024	€ 46.633	€ 57.206	-€ 0.792	€ 103.047

Source: Revenue Commissioners with IBA adjustment for published Q3 2024 remote receipts

From the IBA perspective, there are two notable features in the above:

1. Traditional receipts continued to decline in 2024, unsurprising, given the turnover decline already identified in previous years.
2. Total betting duty receipts are over €103 million, indicating the industry is already a substantial contributor to the exchequer.

Excluding corporation tax receipts (related to multinational companies), total net tax receipts in Ireland for 2023 were €63.398 billion from 2.6962 million workers or €23.5k per worker on average. Average betting duty receipts per worker in 2023 were €15.1k. Based on 2025 tax rates and assuming half of workers in betting are single and half married, an average wage of €32,000 in the retail betting sector generates an average income tax/USC/PRSI receipts of €3,200, giving total tax generated per worker of €18.3k.

The betting sector already contributes significantly to the exchequer.

It is also worth observing that an increase in the betting duty will not lead to a proportionate increase in Exchequer receipts. Operators will likely be forced to increase their margin in order to remain profitable. This reduces the average return to customers and therefore means they have fewer funds to bet with, leading to a depressive effect on turnover. Additionally, increased operator margins mean unlicensed operators, who are not subject to the betting duty, are able to offer more competitive prices than the licensed market, increasing their attractiveness.

When the impact of increased unlicensed betting, reduced turnover, and the economic and human impact of shop closures and job losses is factored in, any potential increase in Exchequer returns will likely be very modest.

9. National Acceptance of the Deterioration in the Retail Cost Environment

The Irish Bookmakers Association highlights the national recognition of the deterioration in the retail cost environment, a reality explicitly acknowledged in the 2025 Programme for Government. The Programme specifically identifies the severe challenges facing small and medium-sized enterprises, particularly those in retail, due to escalating operational expenses.

Page 14 of the Programme for Government is aware of the difficulties of small operations in the retail sector and states:

“The Government will bring forward measures to support SMEs, in particular the retail and hospitality sectors, acknowledging the increased cost pressures on these sectors and this will entail changes to VAT, PRSI and other measures. These measures will be implemented as part of the normal budget process.”

The Government will establish a Cost of Business Advisory Forum to support SMEs. It also pledges targeted support through budgetary measures such as adjustments to VAT, PRSI, and other business-related costs, acknowledging that the current retail environment demands proactive government intervention.

Betting shops, as licensed, legitimate retail businesses occupying prominent street-level locations across Ireland, are deeply embedded within local communities, contributing significantly to employment and acting as important adult only social hubs, especially in smaller towns and rural areas. Given the government's stated commitment to supporting SMEs, the betting industry, experiencing similar or even greater cost pressures, warrants equal consideration and inclusion in any supportive measures introduced in Budget 2026.

The Tax Strategy Group has, in the past, suggested that closures could be prevented by extending the *de minimis* exemption to the betting duty for retail bookmakers. While retaining that exemption is important for the continuing survival of smaller operators, this somewhat misses the point in relation to larger operators. Even large retail chains will make decisions around shop closures on the basis of the profitability of individual shops so extending the exemption does nothing to prevent the closure of shops and subsequent loss of revenue to the Exchequer.

10. The commercial weakness of betting shops caused by high taxation and high costs

In table 7 below, we present two illustrative cases to show the weak commercial position of the retail betting shops and the changes since 2018. The two cases refer to turnover of €2 million and turnover of €3 million. These are illustrative, and specific actual cases will be different.

For example, the rent used in the two cases may be higher or lower in actual cases, and a small number of shops may not incur any rent or mortgage payments. The analysis is based on a gross win of 13% for 2018 and 2022 and 13.5% in 2024. Note that some costs have decreased in the recent period such as rent, which reflects renegotiation of rental/lease terms. Newspapers are also down because many shops are now using digital papers instead of printed papers and some ceased to use newspapers entirely.

Table 7. Illustration of commercial position of betting shops with turnover of €2 million and turnover of €3 million 2018 to 2024

	Average €2m shop				Average €3m shop		
	2018 (Pre 1% Increase)	2022	2024		2018 (Pre 1% Increase)	2022	2023
Average Annual Turnover	€ 2,000,000	€ 2,000,000	€ 2,000,000		€ 3,000,000	€ 3,000,000	€ 3,000,000
Average betting shop costs							
Wages	€ 102,777	€ 116,170	€ 129,000		€ 112,073	€ 125,385	€ 144,720
TV/Data Content Costs	€ 54,569	€ 63,231	€ 73,000		€ 57,024	€ 65,843	€ 88,397
Rent	€ 25,602	€ 27,091	€ 27,500		€ 40,534	€ 41,063	€ 36,500
Rates	€ 4,568	€ 4,502	€ 5,500		€ 5,479	€ 5,677	€ 6,000
Insurance	€ 1,519	€ 2,055	€ 1,800		€ 1,400	€ 1,900	€ 1,800
Water Rates	€ 169	€ 280	€ 400		€ 395	€ 409	€ 400

Maintenance	€ 5,875	€ 4,660	€ 6,300	€ 7,215	€ 6,542	€ 6,300
Cleaning	€ 2,083	€ 1,989	€ 3,500	€ 2,555	€ 2,817	€ 5,900
Trade Refuse	€ 590	€ 713	€ 1,100	€ 521	€ 915	€ 1,100
Light & Heat	€ 4,918	€ 9,717	€ 7,500	€ 6,653	€ 12,217	€ 8,640
Betting slips	€ 1,341	€ 1,204	€ 1,750	€ 2,326	€ 2,489	€ 2,850
Stationery	€ 3,266	€ 2,952	€ 5,075	€ 3,581	€ 3,690	€ 3,975
Newspapers	€ 2,985	€ 2,875	€ 2,625	€ 3,272	€ 3,177	€ 2,625
Telephone	€ 2,331	€ 2,697	€ 2,200	€ 3,222	€ 3,463	€ 2,200
Misc (Travel, uniforms, subsistence, marketing, IT, Printing, security, Prof fees and licences)	€ 11,683	€ 13,343	€ 20,000	€ 21,751	€ 23,681	€ 26,250
Total Costs	€ 224,277	€ 253,479	€ 287,250	€ 268,002	€ 299,267	€ 337,657
Profit before betting tax	€ 35,723	€ 6,521	-€ 17,250	€ 121,998	€ 90,733	€ 67,343
Betting tax	€ 20,000	€ 40,000	€ 40,000	€ 30,000	€ 60,000	€ 60,000
Profit/Loss after Betting tax	€ 15,723	-€ 33,479	-€ 57,250	€ 91,998	€ 30,733	€ 7,343

Source. IBA

The increase in costs is notable, and reflects the discussion above in Section 8. Between 2018 and 2024 the operating costs of the €2 million shop increased by 28.1% from €224,277 to €287,250. Labour costs increased by 25.5%. With a 13% gross win of €260,000 in 2018, this results in a profit before betting tax of €35,723. Betting tax was 1% in 2018 which amounted to €20,000. This resulted in a profit after betting tax of €15,723.

Increased costs and the doubling of the betting tax to 2% completely changed the situation in 2024. On an increased gross win of 13.5%, the 2024 gross win was €270,00. Costs had increased to €287,250 resulting in a loss before betting tax of €17,250. The increased betting tax of €40,000 created a loss of €57,250 in 2024. Shops with this level of turnover are no longer viable.

On the €3 million turnover illustration, the 2018 gross win was €390,000. Costs were €268,002 leaving a profit before betting tax of €121,998. After betting tax, the profit was €91,998. The situation was dramatically altered by 2024. Costs increased by 26% to €337,657. With a gross margin of €405,000, the profit before betting tax was €67,343. After the higher betting tax of €60,000 the profit was reduced to €7,343.

Higher operating costs and higher betting tax, despite a slight increase in the gross win of 0.5%, caused the annual profit per shop to drop from €91,998 in 2018 to €7,343 in 2024, a drop of €84,655.

The drop in profitability is very large for the €3 million turnover shop and is worthy of further elaboration.

The drop in profit for €3 million shop 2018 to 2024 is arrived at as follows,

- Drop in level of profit €91,998 to €7,343 (drop of €84,655)
- Gross margin boost to profit €15,000
- Betting tax increase leads to a loss to profit €30,000

- Increase in costs leads to a loss in profit €69,655
- Drop in profit of €84,655 to €7,343= €91,998+ a) -b) -c)

As seen above, increased costs contributes €69,655 to the profit decrease, increased betting tax contributes €30,000 and the increased margin offsets €15,000 of the decrease.

11. Black-market

The IBA has repeatedly highlighted the risk posed by black-market operators, and also did so in our submission for Budget 25. There are many online options for customers to seek out black-market operators. Internationally, there has been much research on the issue. Here are just some findings to substantiate our concerns:

- The regulator in Sweden conducted a survey, which found only 10% of players knew how to tell the difference between licensed and unlicensed sites.
- A recent Belgian Gambling Commission report found that 33% of players who self-excluded via the national system were still able to gamble using unlicensed operators where customers go unprotected.
- The Danish Tax Authority recently warned of a possible 9% increase in unlicensed play after the Danish regulator introduced increased restrictions on inducements. These restrictions did not amount to a full prohibition on free bets, but the impact on customer safety was still observed.
- In Britain, a PWC report prepared for the Betting and Gaming Council found that “Based on our survey, the proportion of UK online gamblers using an unlicensed operator has increased from 2.2 per cent to 4.5 per cent in the last 1-2 years. This equates to an increase from c.210,000 players in 2018-19 to c.460,000 in 2020.”
- A simple Google search of “casinos or betting not on Gamstop” returns nearly 2 million search results for unlicensed sites in the UK. Many of these sites are available in Ireland.

Our concerns are not just about ensuring fair and sustainable taxation. They are about excessive taxation and looming regulatory costs, which ultimately serve to enhance the appeal of black-market operators and drive customers to them, when licensed operators are forced to close or to offer lower value due to high operating costs and taxes. If licensed operators are taxed or over-regulated out of the market, it provides an ideal breeding ground for black-market operators to flourish. This shift would deprive the exchequer of valuable tax revenue and expose consumers to increased risks, due to unregulated products and services, that would most likely not meet safety and quality standards. It could also lead to a rise in criminal activities, as illicit entities operate without regulation or oversight, undermining the protections regulated operators afford to both consumers and the economy at large.

Therefore, it is essential to strike a careful balance between taxation and regulation to sustain licensed operators, ensure consumer safety, and maintain exchequer contributions.

12. Social Responsibility

In addition to the significant economic and exchequer contribution from our sector, our members also voluntarily contribute over €3million annually to fund gambling addiction counselling, prevention, education, research and awareness services in Ireland. This funding is collected by the IBA and 100% of it is given to an Independent Charity called the Gambling Awareness Trust(GAT). GAT sources, funds and supervises a wide range of services across Ireland that support people or families affected negatively by gambling. These services range from a Freephone help-line, face to face counselling and residential treatment programmes, to a network of out-reach services provided by the Family Resource Network.

The new regulatory authority intends on introducing a Social Impact fund funded by the betting industry, which our members fully support. Government tax and other cost impositions should take account of these additional compliance costs.

13. Conclusion and Recommendation for Budget 26

Against the background of:

- the increased uncertainty about the macroeconomic environment,
- the relatively good position of the public finances,
- the need to prevent black market operations from flourishing,
- the 100% increase in betting tax in 2019,
- the substantial economic contribution of the betting industry,
- the already substantial betting industry exchequer contribution,
- the relatively weak retail betting turnover performance compared to the economy as a whole,
- the declining level of turnover of traditional betting shops,
- the continuing closure of retail betting shops with the associated employment loss,
- the substantial cost increases of recent years borne by the betting industry,
- the increased cost for enterprises of the new regulatory system, and
- the severe drop in betting shop profitability,

the IBA strongly urges that no increase be applied to the current 2% betting duty rate in Budget 26. At a time when licensed operators are facing unprecedented financial and regulatory challenges, stability in taxation policy is essential. Protecting employment, sustaining commercial contributions to local economies, and ensuring the commercial viability of legitimate operators, must remain central to government policy. To do otherwise, risks exacerbating shop closures, encouraging illegal market growth, and significantly weakening the regulated betting sector's important economic and fiscal role.