

Binguez Spanish Tax Code Update

Submitted by: Spanish Bingo

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Spanish players on gambling websites will be affected by the recent income tax code update which came into effect last month. The change means that losses incurred on online gambling games can be deducted against funds won when annual winnings are declared for the purposes of tax.

The tax laws on gaming revenue in Spain have caused much confusion amongst players. Some interpretations of the tax code update imply that losses from poker tournament entries and cash game pots cannot be deducted from overall annual winnings. However, others are stating that it would only be withdrawals that are subject to taxation, and that deposits cannot be discounted from this sum.

This situation would mean that net losers would end up facing a higher tax bill. This would also result in the unworkable circumstance where certain gamblers who win substantial amounts through the year would experience tax charges that exceed the total sum of their annual gambling earnings.

A report in the national daily newspaper, EL PAÍS (<http://elpais.com/>) earlier this year stated that the tax law will be applied retroactively to take into account all winnings made from the beginning of the year.

This tax code update will affect the licensed organisations which operate real money gambling websites in the Spanish market. The Spanish Gambling Commission (DGOJ) has reported that 277 licenses have been granted to 53 businesses in total. These include major poker networks, such as PokerStars.ES and bingo websites, such as Bwin.party's recently launched Binguez.es (<http://www.binguez.es/>).

These licensed operators are ordered by the Spanish government to pay a 25% levy on the gross gaming revenue they generate. Major gaming operators were also ordered earlier this year to pay backdated taxes due to the acceptance of Spanish players on their websites. In addition to this, players are subject to a minimum of 24% standard income tax on their total annual gambling winnings.