

Exploring Tax Options to Curb Excessive Gambling in South Africa

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ABSTRACT Since 2010, the South African government has made various proposals to impose a gambling tax with the objective of discouraging excessive gambling in South Africa. Although the South African gambling industry is already subject to various taxes on both a national and a provincial level, the final proposal was to introduce a national gambling tax based on gambling revenue to be charged at an additional one percent levy on a uniform provincial gambling tax base. Exploratory research was conducted to explore five different tax options by measuring it against the qualities of good tax policy to conclude on their ability to discourage excessive gambling. The paper concludes by recommending the option, namely, to levy an excise tax upon gambling tickets, chips and tokens sold. This option reflects the qualities of good tax policy and might, in principle, support the objective of discouraging excessive gambling.