

Bar owners say new govt tax will cripple industry



Flashback: Ramesh Ramsaran tries his luck on one of the many electronic gambling machines at Universal Bar in St James in July.

PHOTO BY ROGER JACOB

The Trinidad and Tobago Coalition of Bars and Restaurants (TTCO- BAR) and the Barkeepers Owners and Operators Association of Trinidad and Tobago (BOATT) are warning that the Government's proposal to increase the Amusement Gaming Tax from \$6,000 to \$25,000 per machine per year will cripple small and medium-sized bar enterprises and lead to widespread closures and job losses.

In a joint response issued yesterday, the organisations said the increase represents a more than 400 per cent jump in taxation and will make legal operation financially impossible for hundreds of community-based bars that rely on gaming revenue to stay open and maintain staff.

"This policy amounts to a direct shutdown of small and medium sized bar enterprises that depend on regulated gaming revenue to survive," the joint statement said.

"For many bars, gaming income is what pays workers, covers utilities, and keeps doors open in the face of rising food, labour, and operating costs."

Industry data cited by the groups shows that for a modest bar operating ten machines, the annual gaming tax would rise from \$60,000 to \$250,000, an increase of \$190,000 per year, which they say exceeds the total net profit of many small and medium-sized establishments.

The tax increase is contained in Clause 20 of the Bill, which would amend the Liquor Licences Act, Chap 84:10, section 20B, to raise the gaming tax from \$6,000 to \$25,000 per amusement machine.

The clause also increases the gaming tax on electronic roulette from \$120,000 to \$200,000 per device and replaces the Second Schedule to provide for new licence duties under the Act.

TTCOBAR and BOATT warned that the immediate consequences would include the closure of hundreds of bars, retrenchment of thousands of workers, loss of VAT, NIS, PAYE, liquor licence fees and corporation tax revenue, and rapid expansion of illegal and unregulated gaming activity.

"You cannot impose a tax of this magnitude on struggling small and medium-sized bar enterprises and expect survival," the organisations said.

"This policy will not grow Government revenue, it will shrink the legal gaming industry, destroy compliance, and push activity underground."

The groups also warned of wider social fallout, including rising unemployment, the collapse of community-based bars and increased pressure on law enforcement as illegal gaming expands.

They called on the Government to immediately halt the proposed increase, enter urgent and meaningful consultation with bar sector stakeholders on a reasonable tax rate, and focus on enforcement and compliance rather than punitive tax increases.

"This issue goes beyond gaming machines," the joint statement concluded.

"This is about whether the Government intends to shut down the very small and medium-sized bar enterprises that support thousands of families and communities across Trinidad and Tobago."

The proposed tax increase forms part of amendments to the Gambling and Betting Act, Chap 11:19, which also introduce significantly higher penalties for offences, including fines of up to three million dollars and prison terms of up to seven years on conviction or indictment.

The matter will come up when the Government debates the Finance Bill 2025 in Parliament today. Speaking about the bill on Wednesday, former finance minister Colm Imbert pointed to the introduction of taxes on plastic bags and packages, quadrupled licence fees for gaming machines, the electricity surcharge for industrial and commercial customers and increased fees for brewing beer and rum.

“Regressive taxation! The more people you employ for brewing, the more you’re taxed. Nothing to stimulate the economy, it’ll encourage tax evasion,” Imbert added.