SLOT MACHINES AND ONLINE GAMBLING, LEGAL AND ILLEGAL GAMBLING ACTORS IN HUNGARY

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• Situation
• Test questions & hypotheses
• Research
• Results
• Conclusions
The gambling tax by sector distributions from the gameplay breakdown in 2010

- Slot machines: 50.70%
- Lotteries: 42.50%
- Casinos: 2.87%
- Betting: 3.73%
- Raffle: 0.02%
- Gaming machines: 0.13%
- Card game: 0.05%
From November 2011th significantly increased the tax on vending machines

H1: „Restaurants will close because of the increase of the gambling taxes”

Four county wide quick surveys were conducted (Bacs-Kiskun, Szolnok, Csongrad, Bekes), first in 2011 October, and then in 2012 February. The aim of the survey was to find out how contractors react to the increase in their tax liabilities.

The problem
The survey reached out to 50 providers, with overall 82 slot machines. Out of the 50, there were 43 pubs with 73 slot machines, because pubs are the most sensitive to tax changes.

H2: they may be most sensitive to tax changes ...
The first responses of the slot machine operators

(A) 37% said to give back the machines,
(B) 19% stated to pay the taxes
(C) the whole business closes because of the extra tax 0%
(D) 30% stated to reduce the number of machines,
other analysts note THIS AMOUNTS to 14%
(E) 14% said to wait out

There are overall 50 contractors with 82 slot machines
3 month later...

- 50.9% Gave back the slot machines
- 32.1% still a distributor
- 15.1% reduced the number of slot machines
- 1.9% not reacting, are waiting
The organization of gambling by the 1991st XXXIV. Law, the state has a monopoly on the organization of betting, but in practice they have monopoly on any gambling organization.

The organizers that are offering foreign-owned games are also forbidden to advertise it.

However, the illegal foreign betting offices carry out their activities undisturbed in present day Hungary.
Regulatory alternatives

- monopoly, bans
- partial liberalization
- full liberalization
1. any Member State of the EU may prohibit Internet gambling.

2. The Member State shall also have the right to grant exclusive rights to Online Gambling.
* the explosion is expected to change the access to the games
* The more you will be something they will reproduce the possibilities of access to illegal games
* **Slot Machines**

* **H1:** False, none closed down, some decreased the number of slot machines, most wait out.

* **H2:** They are, however because of the increased number of customers, they are able to pay it off.

* **Conclusions**
The government has three viable options
Even the illegal entities want a transparent regulatory system
Huge potential benefit for the Hungarian government - NEED FOR REGULATION!
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