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The Gambling Market and Its Taxation in Poland and Selected Countries

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Abstract

Theoretical background: The gambling market is a multifaceted socioeconomic phenomenon that integrates entertainment, risk, legal regulation, and fiscal policy. Its controversial nature stems from its potential social consequences and the diversity of regulatory models across countries. As gambling continues to grow in popularity and economic significance, analysing the mechanisms of regulation and taxation is becoming increasingly important. The structure of gross gaming revenue (GGR), the scope of state monopoly, and the degree of liberalisation vary significantly, influencing both fiscal outcomes and player protection.

Purpose of the article: The article aims to characterise the gambling market and its taxation in Poland, in comparison with selected European countries – Italy, the United Kingdom, and Germany. The objective is to identify differences and similarities in tax bases, rates, and the role of gaming tax as a fiscal and social

policy tool. Additionally, the study examines the role of regulatory institutions in ensuring market safety and legal compliance.

Research methods: The study is based on a comparative analysis of legal frameworks, tax structures, and regulatory institutions in the selected countries. It includes a review of gross gaming revenue data, tax mechanisms, and institutional competencies. The research is structured into three parts: market characterisation, taxation systems, and regulatory oversight.

Main findings: The analysis reveals significant differences in the regulation and taxation of gambling across the studied countries. Poland's detailed tax structure lacks transparency due to limited use of GGR, while Italy and the UK employ GGR more effectively, enhancing fiscal control and fairness. Germany's simpler model features lower rates and limited emphasis on the stimulatory function of gaming tax. The study concludes that using GGR as a tax base improves efficiency and transparency, and that gaming tax can serve as a tool to mitigate social risks. Regulatory institutions play a crucial role in safeguarding participants, and their competencies should reflect local conditions. The lack of harmonisation across Europe hinders oversight of cross-border gambling. Recommendations include broader use of GGR in Poland, strengthening the social function of gaming tax, promoting regulatory harmonisation at the EU level, and supporting interdisciplinary research on gambling's societal impact.

Introduction

The gambling market is a complex socioeconomic phenomenon that combines elements of entertainment, risk, legal regulations and budget revenue. Its operation is controversial, both due to its potential social impact and the diversity of regulatory models used in particular countries. Given the growing popularity of gambling and its impact on the economy and society, analysing the regulatory and tax mechanisms used by states is extremely important. Contemporary gambling systems differ in their degree of liberalisation, state monopoly, and their approach to player protection. The diverse approaches to gambling taxation and the functioning of supervisory institutions indicate the need for in-depth reflection on the fiscal and social implications of these solutions.

The aim of this article is to characterise the gambling market and its taxation in Poland, compared to selected European countries – Italy, the United Kingdom and Germany. The comparison aims to identify differences and similarities in tax bases, tax rates, the stimulating role of gaming tax, and the impact of regulations on the structure of gross gaming revenue (GGR). Additionally, the role of gambling market regulators in ensuring participant safety and enforcing legal provisions is considered.

The study comprises three main parts. First, it characterises the gambling markets in some European countries, with particular regard to gross gaming revenues and their structure. The next section is devoted to gambling taxation, comparing the tax systems of Poland, Italy, the United Kingdom and Germany. Next, it describes the institutions supervising the gambling market in these countries, outlining their competencies and functions. The article ends with conclusions and recommendations regarding the regulation and taxation of the gambling market.

Literature review: the unique nature of the gambling market

The gambling market can be described as a complex phenomenon with both economic and social dimensions. It provides entertainment for society, serves as a tool for achieving a desired standard of living for some and is a source of revenue for the state. With the right tools in place, it can thrive and foster economic development but, crucially, this must be conducted safely for all market participants. Currently, gambling market models are diverse. Some minimally regulate market mechanisms, while others focus more on player protection. In many cases, however, a common feature is the existing state monopoly in a specific area of gambling activity (Epstein, 2012; Związek Przedsiębiorców i Pracodawców, 2021).

Gambling games are often said to depend on luck. This means that their outcome is not determined by individual skills; however, in some game categories, specialized knowledge and experience are an advantage. Polish law distinguishes the following types of gambling games:

- games of chance,
- betting,
- card games,
- slot machine games.

Games of chance are defined as “games, including those organised via the Internet, for monetary or material prizes, the outcome of which depends primarily on chance” (Act of 19 November 2009, Article 2). This category includes games such as bingo, consisting of varieties such as prize bingo, cash bingo and tele bingo, lotteries, divided into cash – prize, promotional and *audiotele* lotteries (automated phone-in systems), roulette-based games (*gry cylindryczne*), number games, and dice games. This is one of the most frequently chosen types of gambling games due to the numerous distribution channels, which significantly increase their accessibility. The most well-known forms of this genre are scratch cards and Lotto.

The concept of mutual betting is based on predicting the expected outcomes of certain events with their accuracy linked to a monetary or material prize. Two types of parimutuel betting can be distinguished:

- totalizators,
- bookmakers.

Both variants apply to both human and animal competitions. However, the fundamental difference is the reward system. In totalizators, the reward amount depends on the pool of the stakes paid. In bookmakers, however, the reward amount is determined by pre-determined odds, which determine the ratio between the deposit and the winnings (Article 2).

Only blackjack, poker and baccarat are considered gambling card games, provided they are played for cash or material prizes (Article 2). Due to the regulated rules for conducting such activities, games taking place outside of casinos (land-based or online) are considered illegal or do not have the status of gambling games if no prizes are offered.

Slot machine games are defined as “games on mechanical, electromechanical or electronic devices, including computers, and games corresponding to the rules of slot machines, organized via the Internet, for cash or material prizes, in which the game contains an element of chance” (Article 2). Even if no cash or material prizes are offered and these games are organised for commercial purposes, they are still considered gambling games. Furthermore, it should be noted that the possibility of continuing the game without the obligation to pay for the game and the possibility of continuing the game free of charge using funds obtained in the previous round are treated as a form of material reward.

It is common knowledge that the twenty-first century is perceived as a century of addiction. As a result of recent events, lifestyle diseases and current realities, a large portion of society is escaping reality. This is associated not only with psychoactive substance use but also with the development of various behavioural disorders, such as behavioural addictions. Addictions are compulsive behaviours that individual engage in regardless of the potential harm to themselves or their surroundings. However, the key aspect is the intensity of such behaviours. This is because activities performed at moderate frequency can become destructive when increased, and a gambling addiction falls into this category. This refers to excessive gambling, which is most often harmful to the addicted person in the professional, financial and social spheres. This can also be described as a distorted reward system (Paszkiwicz, 2022; Stepanok, 2024; Czetwertyński et al., 2025).

This type of addiction is largely associated with both financial and social consequences. These effects most often occur in two areas of the life of a person who struggles with this type of disorder: the workplace and the family home. His or her functioning is reduced to the need to play, which can lead to ineffective behaviour, as their thoughts revolve around past or future gaming experiences. In extreme cases, addicts may even neglect work or avoid it altogether to satisfy this need, as gaming is prioritised. Furthermore, relationships with loved ones are severely strained. This includes situations where the person uses family funds or savings for gaming, conceals their addiction from their family and becomes irritable and nervous when the topic is raised. Furthermore, problem gambling is associated with certain social costs that reduce actual social welfare. These costs include, for example, lost work hours and decreased productivity or wasted employee potential, which translates into lost opportunity costs. Furthermore, addiction can also lead to costs incurred by third parties as a consequence of illegal actions undertaken by the individual, which involve authorities such as the police or courts. Similarly, resources allocated by third parties for the treatment of the addicted individual can also be considered a social cost. In scenarios such as suicide committed by an addicted person or divorce caused by problem gambling, the costs incurred by third parties for treatment related to the deterioration of mental health associated with the situation can be considered social costs (Ladouceur et al., 1994; Wardle & Tipping, 2026).

Research methods

Research methods characteristic of economics and law were employed, including comparative analysis of tax and regulatory systems, a study of relevant literature and legal acts, analysis of statistical data on GGR and the structure of the gambling market and interpretation of the fiscal and stimulative functions of gambling tax. This approach allows for a comprehensive assessment of the solutions used in Poland compared to selected countries and the formulation of conclusions regarding possible directions for optimising gambling taxation. The criterion for selecting countries was the amount of gross gaming revenue.

Results

Gambling markets in selected European countries

Gambling markets can vary depending on the degree of regulation in a country, economic conditions and social attitudes. One measure of the size of the gambling market is Gross Gaming Revenue (GGR). In other words, it is the sum of stakes paid less winnings paid out. In many European countries GGR is used as the basis for taxing gambling activities.

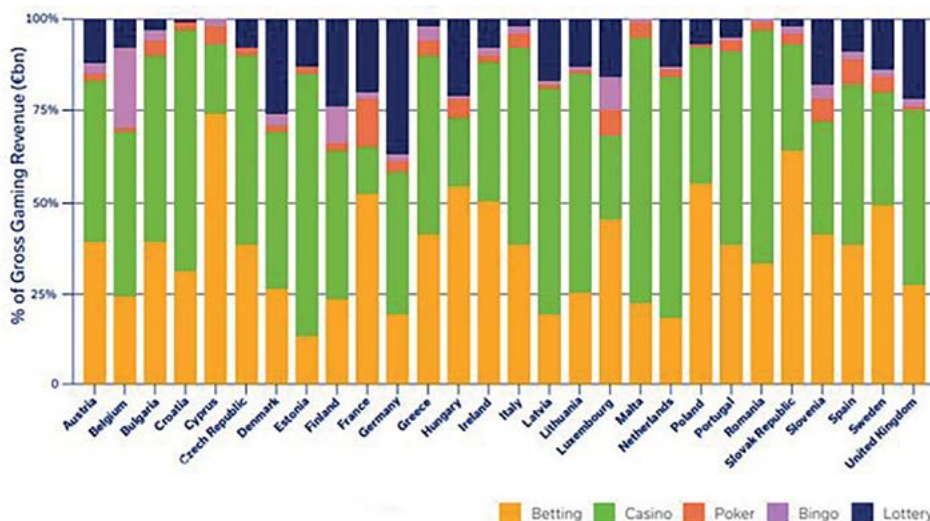
Figure 1. GGR levels of EU member states and the UK in 2023



Source: European Gaming and Betting Association (2025, p. 5).

As can be seen in Figure 1, among European gambling markets, the leading countries in terms of GGR are Italy (the highest gross revenue, which amounted to EUR 21 bn), the United Kingdom (EUR 19.8 bn of gross revenue), Germany (EUR 14.4 bn), and France (EUR 14 bn). It is also important to note the relationship between revenue sources, specifically the ratio of revenue generated from online gaming to that from land-based gaming. The countries with the largest share of gross revenue from online gaming are Sweden, Denmark, and Finland, where it reached 68.3% and 63.1%, respectively. Poland ranks fifth here. The lowest share, however, was recorded in Spain, Slovenia, and Italy. In as many as 13 countries, the online gambling sector accounts for more than half of the gross gaming revenue generated.

Figure 2. Share of online gambling types in GGR by country in 2023



Source: European Gaming and Betting Association (2025, p. 6).

The types of online gambling preferred by market participants vary depending on the region. As shown in Figure 2, in EU member states and the United Kingdom, online games such as poker and bingo typically accounted for the smallest share of generated GGR in 2023. In the Italian market, casino games, as well as sports betting and betting on various events, the most significantly contribute to gross revenue from online gaming. Revenue from poker games comes next, although significantly less significant. Games such as bingo and lotteries, on the other hand, are insignificant. In the case of the British market, casino games are undoubtedly the most profitable category of gambling, accounting for almost 50% of the generated online GGR. Betting comes second, and lotteries come third, accounting for almost 25% of the revenue generated from online gaming. The games generating the lowest

revenues are bingo and poker. In Germany, as in the UK, casino games are the main source of gross revenue from online gaming. However, it is worth noting the highest result achieved in the presented data, achieved by lotteries. It amounted to 37% of Germany's total GGR, making it the second-highest revenue source related to online gaming. Revenue from betting comes next (less than 25% of GGR), with bingo and poker showing the lowest results. In the Polish online gambling market, all types of betting were the dominant category, accounting for over 50% of GGR, while casino games were the second most important form in terms of gross revenue. Results from online lotteries came third but the difference between this and the previous types is highly noticeable. Gross revenue generated by games like bingo and online poker can be described as practically nonexistent in the analysed structure.

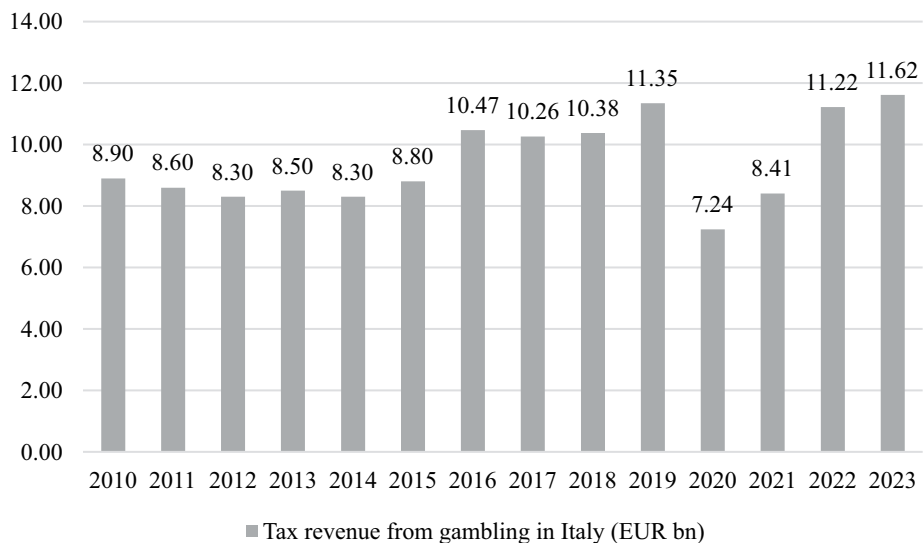
Taxation of gambling activities in selected European countries

Based on the gross gaming revenue obtained in 2023, we chose European countries with the highest scores according to the presented criterion, whereas for a detailed examination of gambling-related tax revenue and taxation systems, we chose Italy, the United Kingdom and Germany. Furthermore, we also considered the rules in force in Poland to compare the systems implemented. However, it should be noted that a direct comparison of the applicable tax rates in the described tax systems is relatively difficult due to different tax bases, so the data provided has been used for illustrative purposes.

Before outlining the structure of gambling taxation, it is important to highlight the fiscal revenues derived from this activity in the investigated countries.

As shown in Figure 3, Italy experienced a significant decline in gambling tax revenues during the COVID-19 pandemic, mainly due to the prevailing type of physical gambling establishments in the country. However, in recent years the market has recovered, and current revenues exceed pre-pandemic levels, indicating a strong rebound in the sector.

Figure 3. Italy's tax revenue from gambling in 2010–2023



Source: Agenzia delle Dogane e dei Monopoli (2025).

Figure 4. UK's tax revenue from gambling 2010–2024



Source: HM Revenue & Customs (2025).

Tax revenues from gambling in the United Kingdom have shown a steady upward trend over the years, reaching EUR 4.05 billion in 2024. Unlike in Italy, where the pandemic caused a sharp decline due to the dominance of land-based gambling, the United Kingdom remained relatively resilient. Although the figures are considerably lower than in Italy, the stability of growth reflects a mature and well-regulated gambling sector. In 2024, the largest share of the UK's gambling tax revenue came from remote gaming duty (31.5%), followed by lottery duty (27.0%) and machine games duty (17.0%). Together, these three sources accounted for more than 75% of total gambling tax revenues, confirming the leading role of online gambling and lottery activities in the UK's fiscal structure.

In Germany, tax revenue from gambling amounted to approximately EUR 6.6 bn in 2023, representing around 0.7% of the country's total tax income. Although this share may seem modest, it reflects the significant fiscal importance of the gambling sector within the broader public finance system (Gemeinsame Glücksspielbehörde der Länder, 2024).

For comparison, revenues from the gambling tax in Poland amounted to PLN 5.3 bn (approximately EUR 1.2 bn) in 2024, which represented 0.1% of GDP and almost 1% of the state budget's tax revenues (Rada Ministrów, 2025, pp. 49, 64).

Although gambling generates sizeable fiscal revenue in Italy, the United Kingdom, and Germany, these proceeds do not represent a fundamental source of public income. Rather, they serve as a supplementary component of national tax systems. Italy stands out with the highest overall revenues from gambling taxation, while the United Kingdom and Germany maintain more moderate yet stable inflows.

Gambling tax is the primary form of taxation for gambling activities. Its payment is the responsibility of legal entities, individuals and administrative entities responsible for organising and managing gambling. Furthermore, it constitutes a source of disposable state revenue (Reszczyński, 2015).

Table 1. The tax base for gambling tax in Poland

| Type of activity | Tax base |
|--|--|
| Cash lottery, raffle and tele bingo game | The total amount of proceeds obtained from the sale of lottery tickets or other evidence of participation in the game |
| Audiotext lottery | The income, within the meaning of the corporate income tax regulations, of the organiser of the audiotext lottery obtained from this lottery |
| Numbers game | Total stakes paid |
| Pool betting | Total stakes paid |
| Cash bingo game | The nominal value of the game cards purchased by the entity organising the game |
| Token bingo game | The nominal value of the playing cards |

| Type of activity | Tax base |
|---|--|
| A roulette-based game, a dice game and a card game, except poker played in the form of a poker tournament | The amount that is the difference between the sum of the stakes paid and the sum of the winnings paid out |
| Poker played in the form of a poker tournament | The winning amount less the tournament entry fee |
| Slot machine game | The amount that is the difference between the sum of the stakes paid and the sum of the winnings obtained by the participants of the games |

Source: Act of 19 November 2009, Article 73.

As shown in Table 1, the GGR tax base is used to a limited extent in Poland. Only typical casino games, such as roulette-based games, dice games, card games, slot machines and poker tournaments, use the GGR model or a modified version. Other game types, however, have different, yet clearly defined, tax bases. This regulated taxation of games limits the possibility of overinterpreting the applicable tax collection regulations. As a result, financial reporting by gaming organisers is based on intelligible principles and provides them with the opportunity to properly plan their future activities.

Table 2. Gambling tax rate in Poland

| Type of activity | Tax rate |
|---|----------|
| Raffle and raffle bingo game | 10% |
| Cash lottery | 15% |
| Number games | 20% |
| Cash bingo game, tele bingo game, audio text lottery and poker played in the form of a poker tournament | 25% |
| Slot machine game, cylindrical game, dice game, card game, excluding poker played in the form of a poker tournament | 50% |
| Pool betting on animal sports competitions based on permits granted solely for their organisation | 2.5% |
| Pool betting other than those mentioned | 12% |

Source: Act of 19 November 2009, Article 74.

The importance of the gaming tax is not limited solely to its fiscal function. A stimulating (regulatory) function should also be distinguished, the idea of which is based on limiting phenomena perceived as posing a risk, both socially and economically. Defined this way, it is called negative stimulation. However, positive stimulation can also be distinguished, encouraging certain actions (Duda-Hyz, 2018; Adamczyk & Franek, 2025). Both dimensions are reflected in Table 2. The best example of positive stimulation is the 2.5% tax rate on betting on animal sports competitions. This is relatively low due to its purpose – supporting the development of Polish

horse breeding. Another form of positive stimulation could be the rate on lotteries and prize bingo. This is related to supporting events and local businesses, which are most often involved in organising these types of events. The highest rates were levied on activities such as casino games, poker tournaments, cash and telebingo games, audio text lotteries and number games. This is closely linked to the level of risk these activities pose to players. This applies in particular to casino games, the use of which can contribute to the development of reward system disorders and ultimately to addiction.

In addition, Polish law also provides for the taxation of winnings under the income tax category, without distinguishing between professional players deriving a regular income from this activity and occasional players engaging in this activity for entertainment (Duda-Hyz, 2016). However, it should be noted that there are two types of objective exemptions (Act of 26 July 1991, Article 21):

- number games, cash lotteries, tele bingo games, mutual betting, promotional lotteries, audiotele lotteries, and raffle lotteries, if the one-time value of these winnings does not exceed PLN 2,280;
- slot machine games, card games, dice games, roulette-based games, cash bingo games, and raffle bingo games organized and operated by an authorised entity, which are fully exempt.

In the case of games that are not subject to full exemption, if the tax-free amount is exceeded, the tax is charged as a lump sum of 10% of the winning amount.

Table 3. Taxation of gambling activities in Italy

| Original name of the tax | Tax description |
|---|--|
| Imposta unica sui concorsi pronostici e sulle scommesse per i giochi di abilità a distanza con vincita in denaro, compresi i giochi di carte in modalita' di torneo e i giochi di carte in modalita' diversa dal torneo, nonche' per i giochi di sorte a quota fissa e per il gioco del bingo a distanza. | Tax on remote skill games with cash prizes, including tournament and non-tournament card games, as well as fixed-odds games of chance and remote bingo. The tax base is the GGR. The rate is 25% of the base. |
| Imposta unica sui concorsi pronostici e sulle scommesse per le scommesse sportive a quota fissa. | Tax on fixed-odds sports betting. The tax base is GGR. The tax rate is 20.5% for land-based games and 24.5% for remote games. |
| Imposta unica sui concorsi pronostici e sulle scommesse per le scommesse a quota fissa su eventi simulate. | Tax on fixed-odds bets on simulated (virtual) events. The tax base is GGR. The rate is 24.5% of the base. |
| Prelievo sui prodotti di cui all'art. 4, c. 3, DPR 8 aprile 1998, n. 169, e all'art. 1, c. 1053, L. 205/2017 – scommesse ipiche a quota fissa. | Horse betting tax. The tax base is GGR. The tax rate is 20.5% for land-based games and 24.5% for remote games. |
| Prelievo Erariale Unico (PREU). | A tax on slot machine games, specifically connected devices, namely video lotteries (VLT) and slot machines (AWP). The tax base includes player deposits without deduction of any winnings paid out. The tax rate from 2023 is 6.6% and 19.6%, respectively. |

Source: own elaboration based on Law of 30 December 2024, Articles 82–83; Camera dei deputati (2025).

In 2023, Italy led European countries in terms of GGR, but has held this position for a long time, competing with the United Kingdom. Table 3 presents the rates applicable in 2025. As can be seen, similarly to Poland, the rates serve a stimulating function. For remotely organised games, higher rates are applied, as increased accessibility is associated with higher rates of addiction. This may be one of the reasons why Italy is among the countries with the lowest GGR from the online gambling sector. Additionally, in Italy, winnings from gambling are also taxed, but for most, a tax-free allowance of EUR 500 applies and the tax base is based on the excess amount.

Table 4. Taxation of gambling activities in the UK

| Original name of the tax | Tax description |
|--------------------------|--|
| Bingo duty | A tax is levied on profits derived from the organisation and promotion of bingo games (excluding home games, machine games, online games, etc.). The tax rate is 10% of profits for the relevant financial year. The tax base is GGR. |
| Gaming duty | A tax on profits generated from land-based casino gaming (excluding slot machines and online gaming). The tax rate ranges from 15% to 50%. The tax base is GGR, as well as gaming-related fees (for example, poker entry fees). |
| Lottery duty | A tax that organisers of lotteries such as the National Lottery are required to pay. The tax rate is 12%. The tax is based on all revenues (including accrued but not yet paid) from ticket sales during a given financial year. |
| Machine games duty | Tax on owned machines whose rewards are cash. The tax base is GGR. Rates range from 5% to 25% depending on the type of machine owned. |
| General betting duty | A tax on profits made by a bookmaker from horse or greyhound bets placed at a brick-and-mortar bookmaker, bets placed by UK residents, spread bets placed with a UK-based bookmaker and bets placed by a UK resident on a betting exchange. Rates range from 3% to 15% depending on the type of bet. |
| Pool betting duty | A tax on profits made by a bookmaker from bets that are not fixed odds and do not involve horse or greyhound racing (which are subject to general betting duty). This applies to bets placed by a player at a UK land-based bookmaker or by a player with British citizenship. The rate is 15%. |
| Remote gaming duty | A tax on profits earned by a bookmaker from its remote operating license or returns from online gaming, provided the player is of British nationality. The tax base also includes free-to-play games offered. As of 2019, the rate is 21%. |

Source: own elaboration based on HM Revenue & Customs et al. (2024).

The taxation of gambling activities in the UK is largely similar to the system used in Poland. Less harmful types of gambling have lower rates, while those associated with a higher degree of risk to the player, such as casino games, are subject to higher rates, depending on the type of game. It is also worth noting that the British system is particularly supportive of gambling activities that serve social purposes. For example, local lotteries may be exempt from tax to promote local businesses and in the case of machines, revenues from machines used for charitable events or tournaments

are also exempt from taxation. However, the difference between these two systems is the UK's tax base, known as GGR, which favours organisers. In the Polish system, a significantly smaller percentage of games have this tax base, while the remaining games are taxed on all revenues, without deduction of any winnings paid out. Furthermore, it is worth noting that winnings are not taxed in the British system.

Table 5. Taxation of gambling activities in Germany

| Type of tax | Tax description |
|------------------------------|---|
| Tax on race betting | Every bet placed on horse betting is considered taxable. The tax base is the total amount deposited by players. The rate is 5.3%. |
| Sports betting tax | Any bet on sporting events other than horse racing is subject to tax. The tax base is the total amount deposited by players. The rate is 5.3%. |
| Tax on public lotteries | The tax is levied on the organisation of public lotteries. The tax base is typically the total fees paid by players for participation. The rate is 20%. Lotteries whose total fees do not exceed EUR 1,000 are exempt from the tax, or EUR 40,000 if the funds raised are used for non-commercial, charitable or church purposes. |
| Tax on virtual slot machines | Replicas of land-based slot machines offered online are subject to tax. The tax base is the total amount deposited. The rate is 5.3%. |
| Online poker tax | All types of online poker offered without a dealer are subject to tax. The tax base is the total funds deposited by players. The rate is 5.3%. |

Source: own elaboration based on Racing Betting and Lottery Act, 2021.

As can be seen from the data in Table 5, the German gambling tax system clearly differs from the other systems presented. The stimulative effect is not as pronounced as in the rates applied in Poland, Italy, and the United Kingdom. In most cases, the taxation included in Table 5 applies a 5.3% rate, which is relatively low compared to the rates applicable to similar gambling activities in the other countries in question. The highest tax rate presented applies to lotteries but appropriate tax exemptions are provided for social purposes. For land-based gambling, such as casino games, tax rates are set by the federal state, and the tax base is based on the gross revenue from all forms of casino gaming. However, the situation is different with regard to the taxation of gaming machines, which is regulated individually by the federal states. The differences are particularly visible in Berlin, Hamburg and Bremen, where each state applies its own taxation system, reflecting regional policy and regulatory variations. In Berlin, the following rates currently apply (Vergnügungssteuer, n.d.):

- slot machines with cash prizes – 25% of GGR,
- slot machines with non-cash prizes – EUR 306.78 per machine monthly in gaming halls and EUR 25.56 in other venues,
- slot machines without prizes – EUR 153.39 per machine monthly in gaming halls and EUR 12.78 in other venues.

In Hamburg, there is no separate category for slot machines offering non-cash prizes. The applicable rates are as follows (Freie und Hansestadt Hamburg, n.d.):

- slot machines with cash prizes – 5% of the wager amount,
- slot machines without cash prizes – EUR 80 per machine monthly in gaming halls and EUR 50 in other venues.

Additionally, if a slot machine is deemed unsuitable for minors, an extra monthly fee of EUR 250 per machine applies.

In Bremen, the taxation system distinguishes even more detailed categories of gaming machines (Freie Hansestadt Bremen, n.d.):

- slot machines with cash prizes – 20% of GGR if equipped with a tamper-proof counter; otherwise, a flat monthly fee of EUR 400 applies in gaming halls and EUR 100 in other venues;

- slot machines without cash prizes – EUR 60 per machine monthly in gaming halls and EUR 20 in other venues;

- machines depicting acts of violence or glorifying war – EUR 307 per machine monthly, regardless of location;

- music machines – EUR 15 per machine monthly.

As we can see, although the stimulative fiscal function at the national level remains limited, the German federal states have taken appropriate measures to ensure safety and stability within the gambling market. This is particularly important in the case of more addictive games, like gaming machines.

Furthermore, some federal states also charge special fees, tip fees, and concession fees (European Gaming and Betting Association, 2021). There is no taxation of winnings in Germany but professional players who rely on their winnings for a regular source of income are required to include their winnings in their income tax.

Institutions supervising the gambling market

Due to the specific nature of the gambling market and the potential social risks it poses, it is fundamental that it be governed by detailed regulations and appropriate institutional oversight. In the systems described above, the authorities in charge of licensing, monitoring operator activity and enforcing gambling laws play a crucial role.

In the Italian gambling market, the Agenzia delle Dogane e dei Monopoli (ADM) is responsible for oversight and control, and it is the oldest institution operating in the analysed countries. Its origins date back to 1853, when it still operated as the Direzione Generale delle Gabelle. Since then, it has expanded its powers and adapted to ongoing economic changes. Today, it serves as a regulatory body and oversees the customs, energy, alcohol, tobacco, and gambling sectors. It also has the power to impose sanctions. In terms of gambling, ADM carries out tasks related to combating illegal gambling operators and the grey market, ensuring the safety of all gambling market participants, and collecting taxes (ADM, n.d.). Additionally, in its brochure, the agency highlights the following objectives:

1. Facilitating the flow of goods internationally, which supports domestic economic growth.

2. Tightening the tax system and tax collection, which contributes to the financial stability of Italy and the EU.

3. Contributing to the safety and health of citizens by controlling areas of increased risk to society, including smuggling, non-compliant goods, and money laundering.

4. Overseeing the gambling and tobacco sectors, and ensuring the safety of citizens in these areas. Additionally, it protects the interests of the State Treasury through tax collection.

The British gambling market is overseen by the Gambling Commission. It commenced operations in 2005, when it was called into being under the Gambling Act 2005. It is an autonomous executive body representing the government. Despite its independence, it is subject to oversight by the Department for Culture, Media and Sport. Its competence extends to England, Scotland and Wales. Additionally, in matters related to the National Lottery, it is also competent for Northern Ireland (Gambling Act 2005, c. 19). The commission considers the following to be the most important objectives for licensing gambling activities (2017):

1. Preventing situations in which gambling could become a source of crime, public disorder or be used to support crime.

2. Ensuring that gambling is conducted in a fair and transparent manner.

3. Protecting children and other vulnerable individuals from harm or profiting at their expense through gambling.

In Germany, the gambling market is overseen by the Joint Gambling Authority of the Länder (Gemeinsame Glücksspielbehörde der Länder, GGL). This relatively new institution was established in 2021 under the uniform gambling law. The aim of this measure was to ensure compliance between EU regulations and the laws in force in the federal states. As a result, gambling activities are covered not only by national legal standards but also by individual state regulations (Bednarczyk & Wieczorek, n.d.). Under the law, the GGL (2021) is responsible for various tasks including:

- authorising entities operating in the gambling market and monitoring the cross-border services they offer (this applies especially to online activities);

- monitoring the gambling sector and changes taking place there, as well as related research;

- popularising scientific studies on gambling (including by commissioning studies);

- supporting the cooperation of gambling market supervisory authorities operating in individual federal states.

The analysed institutions supervising the Italian, British, and German gambling markets share several common characteristics, but differ in certain respects. All of the aforementioned bodies are responsible for licensing gambling operators, restricting the activities of illegal gaming operators, general monitoring of gambling activities and enforcing legal regulations. As for differences, it's worth highlighting the scope of their respective responsibilities – including the Italian ADM, which is also

responsible for collecting gambling-related taxes, which falls outside the scope of the other bodies' authority. Furthermore, the ADM oversees a broader area, encompassing the customs, tobacco and energy sectors, while the German GGL and the British Gambling Commission are typically focused on the gambling sector. Another difference may be the territorial scope of their responsibilities – in the case of the UK, the commission is competent for Scotland, England and Wales, and Northern Ireland only in the case of the National Lottery. The GGL primarily coordinates online gambling activities, while land-based gambling is regulated by the federal states. Despite historical, competence and territorial differences, all these institutions perform key supervisory, licensing and control functions aimed at ensuring the safety of gambling market participants, compliance with the law and limiting the social risks associated with gaming.

Discussion and conclusions

The gambling market, as a dynamically developing sector of the economy, draws the special attention of legislators and supervisory institutions. Our analysis reveals significant differences in how gambling in Poland, Italy, the United Kingdom and Germany are regulated and taxed. Differences in tax bases, rates, and the stimulatory function of gaming taxes indicate different fiscal and social policy priorities in each country. In Poland, the gambling tax system is characterized by a high level of detail and an extensive rate structure. However, the limited use of gross gaming revenue (GGR) as the tax base may result in lower fiscal efficiency and limited transparency for operators. In contrast, the systems in force in Italy and the United Kingdom make greater use of GGR, which promotes better control of financial flows and a fairer tax burden. In the German model, although the stimulative fiscal role at the national level remains limited, the federal states have taken appropriate measures to ensure safety and stability in the gambling market. This is particularly important for more addictive forms of gambling, such as gaming machines.

The analysis leads the following conclusions.

- Using GGR as the tax base is more effective and transparent than taxing total revenue, especially in the context of online gaming.
- The stimulating function of the gaming tax can be an effective tool for mitigating social risks, especially in the case of games with a high potential for addiction.
- Gambling market supervisors play a key role in ensuring the safety of market participants, and their competencies should be tailored to the specific local conditions.
- Diversity of approaches across the analysed countries indicates a lack of a uniform regulatory model across Europe, which hinders regulatory harmonisation and oversight of cross-border gambling activities.

Recommendations resulting from the research can be formulated on several levels.

- For Poland: consider a broader use of GGR as a tax base, which could increase fiscal efficiency and simplify settlements for operators.
- Social policy: strengthen the stimulating function of the gaming tax by adjusting the rates to the level of addiction risk, especially in the online gaming sector.
- At the European level: strive for greater harmonisation of gambling regulations, especially in the area of taxation and supervision of online games, which can reduce the phenomenon of “gambling tourism” and improve the effectiveness of controls.
- In the area of research: support interdisciplinary analyses of the impact of gambling on mental health, public finances and society which will allow for better adaptation of regulatory policy to real needs.

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