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Casino Boom in Bucharest

The Tax Code introduces a tax of 20 - 25 percent on gambling

Over the past months, slot machine halls have sprung up like mushrooms in the crowded parts of Bucharest, alluringly adorned with light garlands, daily news papers write on Friday, commenting on the current boom of gambling in Romania, which is also confirmed by the large number of licenses issued by the Finance Ministry. Apart from the several dozens of classical casinos, the paper says, there are almost 900 companies that operate an aggregate of some 23,000 authorized slot machines. The licenses issued by the Finance Ministry reveal that Romania witnessed two gambling booms, the first in the early '90s, the second in the last two or three years. What the "investors" in a gambling business find really attractive is that "the law of chance" renders the tax law inapplicable, the paper remarks. Although the Tax Code introduces a tax of 20 - 25 percent on gambling, it is impossible to prove the net gain, specifically the difference between the initial bet and the gain on which the tax should be levied. "The casinos collect the tax at source only for the gains from drawings and jackpot games, whereas the rest get away without a tax, because one cannot figure out the client's initial investment," says Sorin Constantinescu, representative of the Association of Romanian Casino Operators.