

# Bulgaria poised to legalize Internet gaming

Bulgarian Ministry of Finance submitted proposals that would regulate and tax online betting following a recent review. According to one of its major newspapers, Trud, the nation has been considering a more pragmatic approach to online gambling.

Trud newspaper said a more pragmatic approach has been considered for over a year as hundreds of millions of dollars are thought to leak through online gambling sites untaxed.

The measures being considered would also allow the Bulgarian sports totalisator to develop new types of online games as well as secure its future development through partnerships with private companies.

If these changes are ratified in the Eastern European nation, the sports totalisator would have the opportunity to compete for new markets while regulated online betting would allow the nation to impose taxes on income from Internet gambling.

Although no formal legislation has yet been launched, Trud reported that private firms would not benefit as much as State-owned gambling companies. The totalisator and the State's lottery are required to disburse 50 percent of their revenues as winnings in addition to taxes and other mandated payouts.

This means that total disbursements come in at over 85 percent of revenues and leaves these organizations relatively cash-strapped despite generating significant revenues. The new tax proposals would see the position of State companies considerably improved.

Estimates put current revenues from legal betting in Bulgaria at around USD 520 million with numerous experts claiming that

other USD 440 million are being gambled illegally and outside the tax net.