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## Do you have to pay taxes on sports betting in Belgium ?

For those active in the world of **sports betting**, it is important to understand how your gambling winnings will be treated for tax purposes. Whether you are wagering on **football, tennis, basketball** or another popular sport; whether you do this through an **online casino, licensed betting site, or local betting shop**, the proceeds from a successful sports wager do not escape taxation in most countries. Here are some **Belgian tax considerations** to keep in mind if you are lucky enough to predict the outcome correctly.

Belgium generally exempts profits from '**games of chance**'. A game of chance is any type of game where bets are placed, resulting in either someone losing the bet or someone winning it, including the betting operators themselves. Both online and offline **sports betting** are typically classified as '**games of chance**'. Belgium **does not tax** your (occasional) winnings to ensure that both online operators and players **do not turn to** the illegal gaming circuit. For betting operators (like casinos and bookmakers), there is a specific '**Tax on Gaming & Betting**' in place that imposes a **15% flat rate** (with some exceptions) on gaming and betting revenues.

For **occasional players** who engage in sports betting, their earnings should normally remain **completely tax-free** in Belgium. According to the Belgian taxman, profits from so-called '**prediction contests**' **cannot** be classified as taxable income. This includes winnings from authorized **raffles and lotteries**, including the *National Lottery* (and other lottery tickets such as *Subito, Win for Life, Keno*, etc.), betting on **horse races, casino games** and so on.

While the above seems straightforward, the **absence** of specific legislation governing **sports betting income** for players in Belgium creates a **gray area**. This could leave players in a somewhat uncertain position regarding their Belgian tax obligations. For example, certain Belgian tax courts have classified **poker earnings** at some point as '**miscellaneous**' income (taxable at 33%) based on elements like the average time spent playing on a daily basis (outside any particular business activity). Understanding these **nuances** is therefore key.

However, if you are a **professional player** when it comes to sports betting or gambling, your earnings will be subject to the standard progressive tax rates (from 25% up to 50%, plus social security). In that case, the tax authorities need to demonstrate that your activities **qualify as a business**. **Certain criteria** for this include: (i) regularity and interrelation of your betting activities; (ii) presence of a professional undertaking like business premises; (iii) (high) level of organization depending on the circumstances of each case. Despite the involvement of **skill and luck**, sports betting, generally, presents serious challenges in successfully classifying it as business income. Its unique nature, where earnings derive from predicting an outcome **without providing a service**, should normally **exclude it** from being taxed as business income.

Whether you are an occasional player or seasoned professional, TAXPATRIA® can advise you on the tax treatment of your **sports betting winnings**, both **locally and internationally**.