

## UK Government Tax Reform Plan Puts Future of Horse Racing at Risk, Industry Warns

July 28, 2025

— Categories: Politics & Government



The UK government's proposed reforms to betting tax rules have triggered alarm across the horse racing industry, with leading figures warning the changes could deal a crippling financial blow to one of Britain's oldest sports.

As part of a Treasury review to streamline gambling taxation, ministers are considering aligning the current 15% tax on horse race betting with the higher 21% rate applied to online casinos. Industry bodies say the shift could cost the sector up to £66 million annually, threaten over 1,000 jobs, and cause lasting damage to rural communities that depend on racing for economic and cultural vitality.

Horse racing leaders, including the British Horseracing Authority and the Jockey Club, argue the proposals fail to recognise the distinct nature of betting on racing compared to online gaming. Unlike casino gambling, racing is widely seen as a sport of skill and tradition, with deep roots in British culture and rural economies.

A report from the All-Party Parliamentary Group for Racing and Bloodstock warned that taxing racing in line with online casinos risks undermining its status as a socially and economically significant industry. The report urges the government to either exempt racing from the changes or retain a separate, lower rate of tax to reflect its unique position.

Campaigners have also raised concerns that raising the betting duty on racing could push punters towards offshore or unregulated betting sites, reducing tax revenues and weakening consumer protections.

The industry has rallied under the “Axe the Racing Tax” campaign, with calls for MPs to challenge the Treasury’s proposals ahead of the consultation deadline. Critics note that the policy was quietly introduced within a broader report on business reform, prompting accusations of a lack of transparency.

Racing remains a major contributor to the UK economy, supporting over 85,000 jobs and generating more than £4 billion annually. In towns like Newmarket, Cheltenham, and Doncaster, the sport underpins entire local economies, from racecourses to hospitality and training yards.

While the Treasury insists the review is aimed at simplification rather than raising additional revenue, there is growing pressure on ministers to recognise the unintended consequences of the reforms. Industry leaders warn that failure to act could jeopardise the sustainability of British racing and the livelihoods of thousands who rely on it.

The government is expected to review feedback from the consultation before finalising any changes to the gambling tax regime.