Federation of Irish Sport Pre-Budget Submission 2027

Investing in Ireland's National Governing Bodies, Local Sports Partnerships and other Sport Ireland recognised funded Sports Bodies.

Submitted by: The Federation of Irish Sport Date: July 2026

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Our Vision

Establish a **sustainable funding model** that ensures National Governing Bodies, Local Sports Partnerships and other funded bodies are adequately resourced to attract and retain high-quality professional staff, thereby **fostering impactful and sustainable sport engagement and strategic planning while ensuring long term employment security that supports the work of volunteers all over Ireland.**

The Asks

#1

A 10% Annual Uplift in Funding for NGBs and LSPs

#2

Introduction of a €5,000 Exemption PAYE Threshold for Certain Payments in Amateur Sport

#3

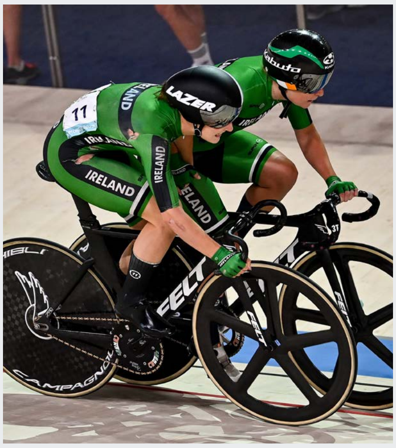
Request for Government Commitment to Research and Publish a Report on an Additional 1% Betting Levy for Sport

2.12m
ACTIVE PARTICIPANTS IN SPORT & PHYSICAL ACTIVITY



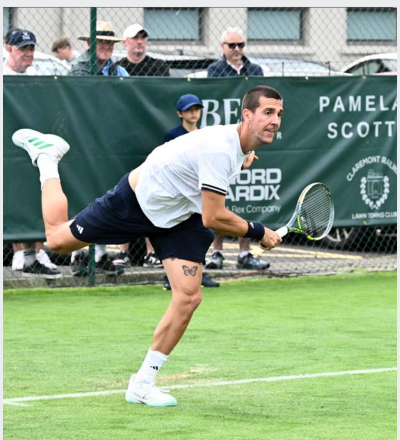
110
MEMBER ORGANISATIONS

81
NATIONAL GOVERNING BODIES
(INCLUDING OTHER FUNDED BODIES)




13,000
CLUBS



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NATIONAL NETWORK OF LOCAL SPORTS PARTNERSHIPS

Ask 1

A 10% Annual Uplift in Funding for NGBs and LSPs

The Federation would like to thank and acknowledge that the Department of Sport and Irish Government has affirmed its commitment to sport and physical activity since the first year of the national sports policy in 2018; and recent policies have seen a continued increase in financial support to National Governing Bodies. Overall, Core Grant investment rose by €1.2m, from €18.3m in 2025 to €19.5m in 2026, representing a 6.6% year-on-year increase and an 80% increase since 2018, the first year of the National Sports Policy. However, it must also be recognised that such investment yields essential returns for the country by drastically reducing national healthcare burdens and fostering robust social cohesion this justifies the state's intervention and support for the sport, recreation and physical activity sector.

A 10% ANNUAL UPLIFT IN FUNDING FOR NGBs AND LSPs

This submission recommends a 10% annual increase in funding for Ireland's National Governing Bodies and Local Sports Partnerships over the next three budgets, beginning from their current 2026 baselines of €19.5 million and €12.66 million respectively. This represents a combined starting allocation of **€32.16 million** in 2026, with additional increases of **€3.216 million** in 2027, **€3.537 million** in 2028 and **€3.891 million** in 2029.

Over the three-year period, this would deliver a total additional investment of €10.6 million, providing a clear and phased funding trajectory to strengthen the capacity of NGBs and LSPs to support participation, community sport and long-term sector development.

NGBs are key to formalised, structured, and organised club membership, volunteerism, and grassroots participation, elite athlete development, sport governance, and national-level competitions, while LSPs are essential in promoting participation and community wellbeing to underrepresented groups and those less likely to participate in sport and physical activity without dedicated outreach. Increased funding across both will improve public health, wellbeing, and foster social inclusion while also driving economic growth and increased tax revenues.

The Federation of Irish Sport is calling for a strategic, multi-annual increase in core sports funding for Budget 2027 to increase professional capacity, combat sedentarism and eliminate systemic inequalities.

€3.216 MILLION	€3.537 MILLION	€3.891 MILLION
2027	2028	2029

Political Context

Sport continues to be recognised by the Irish Government as a vital component of national policy, contributing significantly to public health, social inclusion, and economic development.
The **Programme for Government 2025–2029** reinforces this with clear commitments to:

- **Invest** in sport and physical activity infrastructure to promote healthier, more active communities and support grassroots participation.
- **Support** National Governing Bodies and Local Sports Partnerships to ensure access and opportunity for all, including disadvantaged and disabled communities.
- **Increase** funding for high-performance sport to enhance Ireland's competitive success on the international stage.
- **Integrate** sport into broader health and wellbeing strategies to tackle chronic disease and improve quality of life.

The latest Sport Ireland Irish Sports Monitor (ISM) Report outlines that there is a strong return on the increased government financial investment since 2018. Sports participation rates in almost all age groups have grown significantly, by 5-7 percentage points in almost all cases.

Every €1 invested in core sports participation reduces future state spending on chronic illness, mental health services, and cardiovascular care.

Weekly sports participation rates in 2025 (48.4%) are not statistically significantly different to 2024 (48.5%) however a growing population means there were more people participating every week in 2025 than 2024.

So, while overall adult sports participation has reached an historic milestone of 48% (2.12 million adults)[1], total active lifestyles are contracting due to a sharp drop in recreational walking, driving the national adult sedentary rate up to 20%[1].

Furthermore, the benefits of physical activity are deeply unequal. The sports participation gap between higher and lower-income groups has widened to 22 percentage points, alongside severe participation deficits for people with disabilities (19 points) and ethnic minorities (10 points)[1].

Sport and physical activity can no longer be viewed through the lens of leisure. It is our most cost-effective frontline defence against a compounding preventative healthcare crisis.

The Federation of Irish Sport is calling for a strategic, multi-annual increase in core sports funding for Budget 2027 to increase professional capacity, combat sedentarism and eliminate systemic inequalities.

20%
1 in 5 adults are now entirely sedentary

22 point gap
Sports participation gap between higher and lower-income groups

19 POINT GAP
Participation deficit for people with disabilities

The Cost of Inaction (The 20% Sedentary Crisis)

- Sedentarism has risen to 20%, and recreational walking has dropped by 4 percentage points[1].
- This is an impending, costly crisis for the HSE (Health Service Executive)[2]. In 2025, the direct healthcare cost of treating overweight and obesity in Ireland was estimated at roughly €1.1 billion.
- With 1 in 5 adults now entirely sedentary[1], core funding for National Governing Bodies (NGBs) and Local Sports Partnerships (LSPs) must be viewed as frontline preventative healthcare[3]. Every €1 invested in core sports participation reduces future state spending on chronic illness, mental health services, and cardiovascular care[4]. The OECD report, The Health and Economic Benefits of Tackling Non-Communicable Diseases: Ireland (April 2026), indicates that investing in sports and physical activity is a crucial preventive strategy, as Non-Communical Diseases cause 51% of premature deaths in Ireland. By reducing key risk factors like obesity and inactivity, funding sports organisations could save €405 million annually in healthcare costs and increase GDP by 1.4%,

We request a 10% uplift annual increase in core funding to deploy targeted grassroots intervention programs to reverse this 20% sedentarism spike[5].

- The participation gap between higher-income and lower-income groups has widened to a stark 22 percentage points
- The 22-point socioeconomic gap and the 19-point disability gap identified in the Irish Sports Monitor directly contradict the core targets of the Roadmap for Social Inclusion and the IHREC Section 42 duty.

Sport in Ireland is becoming a luxury. The widening 22-point socioeconomic gap proves that financial barriers are locking lower-income communities out of a healthy active lifestyle

- Serious gaps persist for people with disabilities (19-point gap). While disability participation has improved to 34%, the 19-point deficit compared to able-bodied adults remains unacceptable.

High-Impact Budget Summary Table

ISM Key Finding	Societal / Economic Risk	Strategic Budgetary Solution
20% Sedentary Rate[1]	Increased HSE burden; rising obesity & mental health costs[4].	Increase Core LSP Funding for community-led walking and active lifestyle programs[5].
22% Socioeconomic Gap[1]	Health inequalities; exclusion of lower-income families[6].	Establish a Sports Equity Grant to subsidise club membership fees (Get in to sport) and kits in marginalised areas[5].
19-Point Disability Gap[1]	Exclusion from public life; failure of national inclusion mandates[3].	Ring-fenced "Sport for All" Funding to provide adaptive equipment and specialised coach training[5].

Ask 2

Proposal: Introduction of a €5,000 Exemption PAYE Threshold for Certain Payments in Amateur Sport

1. Executive Summary

The Federation of Irish Sport (FIS) respectfully submits this proposal as part of the Budget 2027 process, seeking the introduction of statutory exemption from the obligation to operate payroll taxes in respect of the first €5,000 per annum for payments made by amateur and grassroots sports bodies to individuals engaged on a part-time and ancillary basis. Above this exempt amount, sporting bodies would be required to operate PAYE should it be required. The proposal is intended to address unintended consequences for the not for profit sector only arising from the Supreme Court decision in Revenue Commissioners v Karshan (Midlands) Ltd t/a Domino's Pizza [2023] IESC 24 (the 'Karshan decision').

2. Background – The Karshan Decision

The Karshan decision clarified the legal test for determining whether a contract constitutes a 'contract of service' or a 'contract for services' for tax purposes. While the decision addressed misclassification in a commercial gig-economy context, its blanket application risks capturing low-value, irregular and public-benefit activities that were never intended to fall within full PAYE compliance, particularly in the amateur sports sector.

3. Rationale for a €5,000 Threshold

Grassroots sport in Ireland relies heavily on part-time coaches, referees, officials, and tutors, (training delivery and/or programme/initiative delivery) who often receive modest honoraria or sessional payments. These individuals generally have primary employment which they often offer their services publicly, across multiple clubs/community groups via NGBs and LSPs and are not economically dependent on any single sports body. A €5,000 annual threshold would reflect the ancillary nature of this income while preserving full taxation and reporting for higher-value or economically dependent engagements. The proposed exemption is targeted, proportionate, and consistent with existing tax policy. It operates solely as an exemption from payroll tax administration up to a modest annual amount, does not exempt the income from tax in the hands of the recipient, and is supported by a light-touch annual reporting obligation on sporting bodies, modelled on existing corporate reporting regimes.

€5,000

Proposed annual PAYE exemption threshold

4. Irish Tax Precedents Supporting a Threshold Approach

Irish tax legislation already contains multiple precedents for the application of de minimis thresholds and policy-driven exemptions, including:

- Section 235 TCA 1997, which provides income and corporation tax exemptions for qualifying games and sports bodies, recognising their public-benefit and non-commercial nature.
- Section 985A TCA 1997 and associated PAYE Regulations, under which Revenue may issue PAYE Exclusion Orders, confirming that employment status does not inevitably require PAYE operation.
- Revenue practice on short-term assignees (Tax and Duty Manual Part 42-04-65), where PAYE is not enforced below defined workday thresholds.
- De minimis thresholds elsewhere in the TCA, including the €3 million de minimis threshold under the Interest Limitation Rules in Part 35D TCA 1997.

5. Proposed Legislative Amendment

FIS proposes that a new subsection be inserted into Chapter 4 of Part 42 TCA 1997 (PAYE provisions), as follows:

Insert new section 985I TCA 1997:

'985I – PAYE Exemption and Reporting Regime for Certain Payments by Qualifying Sports Bodies

(1) Notwithstanding any other provision of this Chapter, and subject to subsections (4) to (8), an employer shall in respect of payments made in a year of assessment to an individual by a qualifying sports body where –

(a) the aggregate amount of such payments made by that qualifying sports body to that individual in that year of assessment does not exceed €5,000,

(b) the payments arise from activities that are ancillary, part-time, occasional, or seasonal in nature,

(c) the performance of those activities does not constitute the carrying on of a trade or profession by the qualifying sports body, and

(d) having regard to the substance of the arrangement, the individual is not economically dependent on the qualifying sports body.

(2) This section shall apply for the purposes of the obligation to operate the Pay As You Earn system only and shall not be construed as—

(a) determining the employment status of an individual for any other purpose, or

(b) exempting any income from the charge to income tax.

(3) Nothing in this section shall prejudice the obligation of the individual to account for income tax, including under Schedule D, where applicable.

(4) This section shall not apply where arrangements are structured, fragmented, or otherwise manipulated for the purpose of securing that payments fall within the threshold specified in subsection (1)(a).

(5) Where an individual provides services to the same qualifying sports body under more than one arrangement, or through an intermediary, those arrangements shall be treated as a single arrangement for the purposes of this section.

(6) This section shall not apply to payments made to a connected person within the meaning of section 10, or where the individual is engaged in a role that would ordinarily constitute a substantive employment position within the organisation.

(7) A qualifying sports body availing of this section shall comply with such record-keeping and annual reporting requirements as may be specified by the Revenue Commissioners for the purposes of monitoring compliance with this section.

(8) The Revenue Commissioners may publish guidelines for the purposes of the operation of this section, including guidance on—

(a) the application of the threshold,

(b) the interpretation of "ancillary, part-time or occasional," and

(c) circumstances in which this section shall not apply.

(9) In this section, "qualifying sports body" has the meaning assigned to it by section 235.

6. Policy Justification and Safeguards

The proposed threshold is targeted, proportionate, and consistent with existing tax policy. It is capped, applies only to recognised sports bodies, does not exempt the income from tax in the hands of the recipient, and can be supported by simple annual reporting requirements. Crucially, it would preserve PAYE in cases of substantive employment while protecting not-for-profit, public-good-driven sport organisations from disproportionate administrative burden.

7. Conclusion

FIS submits that this modest legislative change would ensure that the principles articulated in Karshan are applied in a manner consistent with legislative intent, tax coherence, and the sustainability of amateur sport in Ireland. We would welcome the opportunity to engage with the Department of Finance and the Revenue Commissioners on the detailed implementation of this proposal.

THE CASE FOR A STATUTORY DE MINIMIS THRESHOLD IN SPORT

Key Evidence from Local Sports Partnerships, National Governing Bodies and Sport Ireland Listening Sessions

1. 85%

Approximately **85%** of Local Sports Partnerships have alraady reduced programmes, training initiatives or events during 2026.

2. 26-50%

Many LSPs reported reductions in the region of **26%** to **50%** in service delivery.

3. <50%

Some organisations are operating at less than half of their normal delivery capacity.

4.

Reductions are not demand-driven-demand remains strong, but capacity is constrained.

5.

Medium to high reductions reported for people with disabilities, older adults, children and young people, and women and girls.

6.

Disadvantaged communities and minority groups, including the Traveller community, are significantly impacted.

7.

Rural areas are particularly exposed due to limited tutor pools, longer travel distances and lower capacity.

8. >50%

A majority of respondents identified rural communities as being disproportionately affected.

9. €10k-€50k

Most commonly reported historic contractor classification disclosure liabilities fell in the range of **€10,000** to **€50,000**.

10. >€100,000

A number of organisations reported disclosure liabilities in excess of **€100,000**.

11. >70%

Over 70% of National Governing Bodies reported ongoing annual compliance expenditure.

12.

Ongoing costs include payroll processing, HR administration, software systems and insurance.

13. HIGH

Organisations reported high levels of compliance uncertainty and fear of revenue risk.

14.

Significant time and administrative resources are being diverted from core delivery.

15.

Loss of skilled tutors, coaches and officials is weakening capacity and programmes nationally.

16.

A de minimis threshold will protect participation, sustain volunteerism and support Government objectives.

17. €5,000

Proposed de minimis threshold to allow individuals to earn up to **€5,000** annually from casual sporting activity without triggering full PAYE obligations.

18. 26/29

Local Sports Partnerships responded to the survey, representing approximately **90% coverage** of the LSP network.

19. 38

National Governing Bodies and other funded sporting organisations responded to the survey.

20.

Qualitative evidence was reinforced by a Sport Ireland-hosted listening session in **March 2026**.

A PROPORTIONATE SOLUTION FOR A STRONGER SPORTING FUTURE

A statutory de minimis threshold will reduce disproportionate compliance burdens, protect participation opportunities and ensure the sustainability of community sport in Ireland

APPENDIX 1:
Survey results of Employment Status, Participation Delivery and the Case for a De Minimis Threshold in Sport

1. Executive Summary

Evidence gathered from Local Sports Partnerships, National Governing Bodies and Sport Ireland-facilitated listening sessions demonstrates that the current framework, while suitable for standard employment relationships, is not proportionate when applied to low-cost (high value), casual and non-exclusive sporting engagements. The cumulative effect of the current approach has been an immediate reduction in programme delivery, a loss of skills based human capital, increased administrative and governance pressures and material financial risk, particularly for smaller, community-based organisations.

In response, the Federation proposes the introduction of a statutory, sector-specific de minimis threshold that would permit individuals to be compensated up to a modest annual amount, such as €5,000, from casual sporting activity without triggering full PAYE employment obligations. This would represent a proportionate and targeted policy intervention that preserves individuals' protections where appropriate, while safeguarding the sustainability of publicly funded participation programmes and ensuring alignment with wider Government objectives.

2. Context and Role of the Sporting Sector

Ireland's sporting system is distinct in its structure and delivery model. Participation programmes across the country are delivered through a combination of Local Sports Partnerships and National Governing Bodies, operating with public funding to achieve health, inclusion and community outcomes on behalf of Government. The delivery of these programmes relies heavily on casual and seasonal engagement of tutors, coaches and officials who typically engage on a non-exclusive basis.

These engagements are fundamentally different from conventional employment relationships. Individuals commonly deliver services intermittently, often alongside other employment, and many do so for social and community motives rather than financial return. Organisations operate with limited administrative capacity and are structured to maximise delivery outcomes rather than absorb complex employment compliance obligations.

The application of standard employment status compliance requirements to these low-value engagements has created a level of administrative and financial burden that is disproportionate to the scale of the delivery and engagement involved and inconsistent with the underlying nature of sport and community participation delivery.

3. Evidence of Impact

3.1 Scale and Representativeness

Survey responses were received from 26 of the 29 Local Sports Partnerships nationwide, representing approximately 90 per cent coverage of the LSP network. These responses included both Local Authority-based LSPs and Companies Limited by Guarantee, which operate without Local Authority balance sheet support. In addition, 38 National Governing Bodies and other funded sporting organisations responded to a separate but aligned survey. These quantitative findings were reinforced by qualitative evidence gathered during a Sport Ireland-hosted listening session in March 2026. The consistency of responses across organisations, structures and regions clearly indicates a systemic issue affecting the sector as a whole.

3.2 Financial and Compliance Burden

Compliance with the Revenue Guidelines for Determining Employment Status has already imposed significant financial costs on sporting organisations. A majority of respondents reported that they sought independent tax, legal and human resources advice in order to assess their exposure and implement compliance measures. For organisations required to make disclosures in relation to historic contractor classification, reported disclosure liabilities most commonly fell in the range of €10,000 to €50,000, with a number reporting exposure in excess of €100,000.

In addition to these once-off costs, over 70 per cent of National Governing Bodies reported that compliance has resulted in ongoing annual expenditure, including payroll processing, human resources administration, software systems and insurance costs.

These costs are structural and recurring, and they are being absorbed within existing funding allocations. As a result, resources that would otherwise be directed toward participation and development activity are being diverted toward administrative compliance.

3.3 Reduction in Programme Delivery

The cumulative impact of the current framework has been an immediate and material reduction in programme delivery across the sector. Approximately 85 per cent of Local Sports Partnerships reported that they have already reduced programmes, training initiatives or events during 2026. Many respondents reported reductions in the region of 26 to 50 per cent, while some indicated that they are operating at less than half of their normal delivery capacity.

National Governing Bodies reported similar effects, including the cancellation or scaling back of participation programmes, coach education courses, tutor delivery and events.

Importantly, respondents consistently indicated that these reductions are not demand-driven. Demand for services remains strong, but organisations are constrained by compliance uncertainty, increased costs and difficulties engaging suitable personnel.

3.4 Impact on Priority Groups and Rural Communities

The evidence also demonstrates that the impact of programme reduction is not evenly distributed. Medium to high reductions in participation opportunities were reported for people with disabilities, older adults, children and young people, women and girls, disadvantaged communities and minority groups, including the Traveller community.

Rural areas were identified as being particularly exposed due to their reliance on small pools of tutors and officials, longer travel distances and limited capacity to accommodate PAYE-based casual employment models.

A majority of respondents indicated that, in the absence of policy change, they expect participation opportunities for these groups to deteriorate further over the next two to three years.

3.5 Loss of Tutors, Coaches and Officials

One of the most significant unintended consequences of the current framework has been the contraction of the available skills based human capital. Between 50 and 56 per cent of Local Sports Partnerships reported a decline in the availability of qualified service providers, while almost three-quarters of National Governing Bodies reported difficulty engaging tutors under PAYE casual employment arrangements.

Respondents reported that individuals are disengaging primarily due to reduced net income when paid through PAYE, loss of flexibility, increased administrative requirements and a preference to remain self-employed for sporadic, low-value engagements. This loss of capacity undermines programme continuity, delivery quality and safeguarding standards, and risks permanently eroding the skill base that underpins community sport in Ireland.

3.6 Governance and Sustainability Risks

Governance and sustainability concerns have increased significantly, particularly for Companies Limited by Guarantee operating as Local Sports Partnerships. These entities typically have limited reserves and do not benefit from Local Authority payroll systems or indemnities. Over 90 per cent of LSP respondents identified administrative burden, financial exposure and the risk of employment misclassification as key organisational threats.

Qualitative evidence from board-level discussions and the Sport Ireland listening session highlighted genuine concerns regarding solvency, reserve depletion and director exposure, particularly where full employment obligations are triggered by very low-value engagements.

4. Misalignment with Government Policy Objectives

There is near-universal agreement across Local Sports Partnerships and National Governing Bodies that the current interpretation of employment status does not align with Government objectives to increase participation in sport particularly for those most disadvantaged, support volunteering and community engagement, or promote rural inclusion. Only a negligible proportion of respondents believe that the existing framework allows sporting services to be delivered at scale in a sustainable manner.

By contrast, respondents overwhelmingly support the development of a proportionate, sector-specific approach that recognises the unique characteristics of sport and community participation delivery.

5. Policy Proposal: A Statutory De Minimis Threshold

The Federation of Irish Sport proposes the introduction of a statutory exemption threshold for sport and community participation activity. Under this approach, qualifying sports bodies would be permitted to compensate individuals up to a modest annual amount, such as €5,000, without triggering an obligation to operate payroll taxes. Such a measure would apply only to low-value, sporadic activity and would not displace employment protections for substantive roles. It would reduce administrative complexity, address compliance uncertainty, and remove a significant barrier to programme delivery, while ensuring that tax administration remains proportionate to the scale of the economic activity involved.

The overwhelming majority of Local Sports Partnerships and National Governing Bodies support a sector-specific framework that recognises seasonal and part-time delivery of skills based human capital, casual officiating, non-exclusive engagement and expense-only or modestly paid roles.

6. Consequences of Inaction

Respondents consistently identified that, if no policy adjustment is made, the most likely outcomes over the next two to three years include further service reductions, increased participant fees, reduced participation levels, financial instability among delivery bodies and withdrawal from key participation and inclusion programmes. These outcomes would significantly undermine the return on public investment in sport and physical activity and would run counter to wider Government health, inclusion and community policy objectives.

7. Conclusion of survey

The Federation of Irish Sport respectfully submits that the introduction of a statutory exemption threshold represents a proportionate, evidence-based and fiscally responsible policy response. It addresses legitimate compliance, does not exempt the income from tax in the hands of the recipient while preventing unintended damage to participation delivery, organisational sustainability and community wellbeing.

Ask 3

Request for Government Commitment to Research and Publish a Report on an Additional 1% Betting Levy for Sport

Background on Ireland's Betting Levy

Ireland currently imposes a 2% tax on betting stakes which is applicable to both retail and online bets with the revenue derived from this levy flowing to the Exchequer. In 2023, this 2% betting duty generated approximately €103 million in revenue[1] Sports organisations have argued that much of this betting activity is centered on sports events and not only horse and greyhound racing, which have traditionally been subsidised by betting revenues, and thus a portion of the proceeds should be reinvested in wider sports development.[2]

€40-50m

Estimated annual revenue from an additional 1% betting levy

Projected Revenue and Allocation:

Based on recent betting duty receipts, an additional 1% levy is estimated to yield €40–50 million extra per annum for sports.[3]

In 1999, when the foundational betting levy framework was introduced, Ireland's retail bookmaking sector proved highly resilient, expanding from 800 shops to a peak of 1,385 in 2008. This historical data proves that targeted betting levies do not inherently restrict industry growth.

The recent contraction to 684 retail shops by the end of 2025 was entirely structural, driven by a massive consumer shift toward digital, multi-billion-euro corporate platforms.

While independent, family-owned high-street bookies have reduced to fewer than 20 shops, the overall betting volume in Ireland remains massive, heavily consolidated into highly profitable, international online operators.

Because the vast majority of betting revenue has migrated online, increasing the betting levy by just 1% (from 2% to 3%) is a perfectly viable policy intervention. This adjustment targets the highly profitable digital conglomerates rather than small business owners. Ring-fencing this incremental 1% exclusively for grassroots sports, local clubs, and community infrastructure will inject an estimated €40m to €50m annually directly into local economies. By adjusting this levy, the state can leverage corporate gambling windfalls to build critical community sports infrastructure where it matters most.

We respectfully request that the Minister and his department lead on a request to Government to Commit to research and publish a report on an additional 1% Betting Levy for Sport:

1. **Undertake a formal assessment** of the proposed 1% increase to the existing Betting Duty, with a view to designating the additional revenue specifically for participation and community sport.

1%
Proposed increase to the existing Betting Duty

2. **Commission an interdepartmental review,** led jointly by the Department of Finance and the Department of Culture, Communications and Sport, in collaboration with Sport Ireland and other relevant stakeholders.

2 DEPARTMENTS

Joint review led by Finance and Sport

3. **Undertake a formal assessment** of the proposed 1% increase to the existing Betting Duty, with a view to designating the additional revenue specifically for participation and community sport.

Publish a report within 6 to 9 months outlining:

- The fiscal, legal, and **ethical feasibility** of the proposed amendment to Section 67 of the Finance Act 2002. This should include consideration of the social responsibility of reinvesting betting revenues in community health and wellbeing through sport.
- Projected annual revenue from the additional 1% levy.
- A framework for administering the designated funds, including potential models for a Sports Investment Fund.

6-9 MONTHS

Proposed timeframe to publish the report

International Models – France and Portugal:

France and Portugal are frequently referenced as examples where betting tax is structured to support sports directly.[6] In Portugal, for instance, a substantial portion of sports betting levies is channeled to the national sports system, most notably to football. According to data from the FAI, the Portuguese Football Federation (FPF) received 60% of all betting levy collections in Portugal over the last five years, amounting to approximately €146 million.[7] This funding now represents roughly 25–30% of the FPF's annual revenues, enabling reinvestment at all levels of the game[8].

Portugal's funding allocation model is based on betting activity volume rather than developmental needs and has thus exacerbated disparities. Winter sports federations receive €3,323 per athlete, while athletics receives €580 annually.[9] Critics have argued that this prioritises commercial viability over grassroots growth.

In France, the system is somewhat different but also entails targeted levies on betting to support sport. French betting and gaming taxes are complex and include a mix of levies on turnover and gross gaming revenue, but critically, a share of the taxes on sports betting is assigned to public causes including sport federations and the National Sports Agency. For example, offline sports bets in France carry a parafiscal levy, part of which feeds into the state's sport budget or social programs.[10 11]

Recent French reforms in 2023–2024 increased levies on online sports betting GGR (Gross Gaming Revenue) from 10.6% to 15%, and on retail betting from 6.6% to 7.6%, partly to bolster funding for societal causes like sport.[12] While the mechanisms differ from Ireland's turnover tax, the underlying principle is that sports betting should help finance sporting activities.

15% **French levy on online sports betting GGR following recent reforms**

While France's distribution model is less football-centric than Portugal's, disparities persist. Rural regions receive 40% less funding per capita than urban areas[13]. Betting operators in France have argued that rising taxes, up 44% since 2021, undermine their ability to sponsor local clubs, a key revenue source for amateur leagues.[14]

Legislative Considerations:

The proposal to introduce an additional 1% betting levy, on top of the existing 2% Betting Duty, would require targeted amendments to existing primary and secondary legislation. The legal basis for the current Betting Duty framework is found in the Finance Act 2002, specifically Chapter 1 of Part 2, which sets out the obligations for bookmakers (including remote operators) to pay duty on bets accepted from persons in the State. The rate of Betting Duty is prescribed under Section 67 of the Finance Act 2002, which currently provides for a 2% levy on the amount of each bet placed with a licensed bookmaker, whether in person or via remote means.[15]

To implement the proposed increase, the primary legislative amendment would involve altering Section 67 of the Finance Act 2002 to raise the duty from 2% to 3%. An additional subsection could be inserted to earmark 1% of the new total rate specifically for transfer to a designated Sports Development Fund. Alternatively, the Act could be amended to provide that a portion of the overall Betting Duty collected be diverted via ministerial order or regulation to such a fund. If the Government seeks to ringfence this 1% explicitly for sport, a new statutory basis would likely be required, modelled on structures such as the Social Impact Fund established under the Gambling Regulation Act 2024.[16]

Further amendments may be needed to Section 68 of the Finance Act 2002, which outlines exemptions from Betting Duty. These exemptions include bets placed on-course at horse racing or greyhound meetings and certain totalisator bets.[17] Consideration should be given to whether the additional 1% would apply uniformly or only to non-exempt betting activity.

In addition to primary legislation, supporting regulations would require revision. The Betting Duty and Betting Intermediary Duty Regulations 2015 (S.I. No. 341/2015) govern the return and payment process for duty liabilities. These would need to be updated to reflect the new rate and the allocation mechanism for the earmarked portion. Revenue's Betting Duty Returns system administered via Revenue Online Services (ROS) would also require technical modification to record, process and enforce the higher rate and to report the ringfenced 1% allocation.[18]

The introduction of a ringfenced component would also necessitate the establishment of a dedicated Sports Development Fund through either new legislation or a statutory amendment.

The relevant provisions in the Gambling Regulation Act 2024 (Sections 50–57) offer a legislative model for how such a fund might be administered. That Act established a Social Impact Fund to receive mandatory contributions from gambling licensees and outlined how it would be managed, disbursed, and audited under ministerial oversight.[19]

Finally, from an administrative and compliance perspective, changes to Section 78 of the Finance Act 2002, which governs the de-registration of bookmaking premises for non-compliance, may not be necessary, but operational enforcement guidance would need updating to reflect the new rate.

Revenue's compliance manual also provides for enforcement mechanisms in cases of non-payment or underpayment, which would automatically extend to the higher duty amount.[20]

In summary, the introduction of an additional 1% betting levy would require an amendment to Section 67 of the Finance Act 2002, accompanying changes to secondary regulations, and potentially new enabling legislation to establish and govern the administration of a ringfenced sports fund. Cross-departmental coordination with the Department of Finance and the Revenue Commissioners would be critical to ensure the legislative and operational viability of the proposed measure.

Policy and Political Considerations:

The Department of Finance historically has been cautious about increasing the betting duty too rapidly. An attempt to double the betting duty from 1% to 2% in 2019 raised additional revenue but met resistance from the betting industry. In this case, however, the argument is bolstered by political and public support, since the funds would be visibly supporting community sport and health.

During a Dáil Éireann debate in April 2023, it was noted "The Government has spoken. No increase in the betting levy..." at that time suggesting that in Budget 2024, the Department of Finance declined to raise the levy[21]

However, by late 2023 and into 2024, momentum built for revisiting the idea. The former Minister for Agriculture, and now Minister of State for Sport, Charlie McConalogue unintentionally highlighted the success of racing's funding which, as an Irish Times analysis pointed out, *"effectively made the FAI's point for them"* about supporting other sports.22 In other words, the strong defence of racing's subsidy underscored that similar investment could yield dividends in soccer and beyond, without "waging war" on any sector.[23]

From a fiscal perspective, €40–50 million directed to sport via a levy would be a significant new funding line. The National Sports Policy (2018–2027) committed to doubling sports investment, which has seen increases in annual funding for sporting bodies, high-performance sport, and facilities. Yet much of that has come as direct Exchequer support. A designated betting levy contribution would diversify sport funding sources.

1%→2%

Betting duty doubled in 2019

€40-50m

Potential new annual funding stream for Irish sport

Conclusion

At a time of profound political, financial, and societal unrest across the world, sport and recreation and physical activity in Ireland serve as our most powerful, cost-effective vehicles for social inclusion and national integration.

Through our nationwide network of Local Sports Partnerships (LSPs) and National Governing Bodies (NGBs) and their clubs and their members, we operate directly on the frontlines of every parish in Ireland. We break down barriers to participation by directly reaching underserved, rural, low-income, and multi-ethnic communities.

Locally: Community-led sport actively builds social capital, fosters deep community pride, and drives civic engagement.

Nationally: The success of our elite international athletes inspires future generations to strive toward Olympic, Paralympic, and elite-level performance.

Environmentally: Enhanced investment in local sports infrastructure enables clubs to promote active transport, reducing carbon emissions from car-reliant activity models and directly fulfilling Ireland's Climate Action and Sustainable Development Goals.

Our submission is an urgent call for Political Action in Budget 2027:
A fundamental step-change in sports funding is required in Budget 2027. To build enduring programmes, retain vital personnel, and attract professional and volunteer talent, the Government must pivot away from short-term financial cycles. We urge the adoption of a multi-annual funding model built on an annual uplift of 10% over the next three consecutive years. This will empower the sector with the strategic certainty and financial security required to deliver long-term, meaningful outcomes for the state.

We must future-proof through the Betting Levy;
The state's current over-reliance on the Dormant Accounts Fund to prop up community sport is unsustainable. The clear, viable mechanism to secure this future is increasing the betting levy by 1%. By capturing a fraction of the immense profits generated by multinational digital gambling conglomerates, the Government can establish a hypothecated permanent funding stream for grassroots sports without placing a single cent of additional burden on the exchequer or the taxpayer.

Setting Precedent for the Public Good
Regarding the €5,000 threshold constraint, we remind the Government that clear policy precedence exists where the State has made exceptions for the sports sector. Lawmakers must consider a similar exception in this instance. This is not an industry subsidy; it is an investment in the national public health interest and the general public good.

The Ultimate Bottom Line:
A Balanced Approach to Sports Funding, while state-of-the-art physical infrastructure is undoubtedly important, a modern sports strategy requires a balanced approach that pairs physical assets with human capital. Bricks and mortar provide the foundations, but it is the people power on the ground that transforms quiet facilities into thriving centres of activity.

True impact requires a balanced funding model that matches infrastructure investment with sustained funding for the dedicated personnel, and supports volunteers who drive participation rates on the ground.

APPENDIX 2:
List of FIS Members

NATIONAL GOVERNING BODIES

Active Disability Ireland
American Football Ireland
Angling Council of Ireland
Archery Ireland
Athletics Ireland
Badminton Ireland
Basketball Ireland
Bol Chumann na hEireann
Boxing Ireland
Cairn Community Games
Canoeing Ireland
Cheer Sport Ireland
Comhairle Liathróid Láimhe na hÉireann
Cricket Ireland
Croquet Association of Ireland
Cycling Ireland
Deaf Sports Ireland
Diving Ireland
Fencing Ireland
Football Association of Ireland
Gaelic Athletic Association
Golf Ireland
Gymnastics Ireland
Hockey Ireland
Horse Sport Ireland
Ice Skating Association of Ireland
Inline Hockey Ireland
Ireland Active
Ireland Lacrosse
Irish Amateur Wrestling Association
Irish Clay Target Shooting Association
Irish Flying Disc Association
Irish Ice Hockey Association
Irish Indoor Bowling Association
Irish Judo Association
Irish Lawn Bowls
Irish Martial Arts Commission
Irish Olympic Handball Association
Irish Rugby Football Union
Irish Sailing Association
Irish Surfing
Irish Tae Kwon Do Association
Irish Wheelchair Association Sport
Ladies Gaelic Football Association
Motor Cycling Ireland
Motorsport Ireland
Mountaineering Ireland
National Aero Club
National Coarse Fishing Federation of Ireland
Official National Amateur Karate Association of Ireland
Olympic Federation of Ireland
Orienteering Ireland
Paralympics Ireland
Pentathlon Ireland
Pitch and Putt Union of Ireland
Racquetball Association of Ireland
Rowing Ireland
Rugby League Ireland
Snooker & Billiards Ireland (RIBSA)
Snowsports Ireland
Softball Ireland
Special Olympics Ireland
Speleological Union of Ireland
Squash Ireland
Student Sport Ireland
Swim Ireland
Table Tennis Ireland
Target Shooting Ireland
Tennis Ireland
Tenpin Ireland
The Camogie Association
The Irish Waterski & Wakeboard Federation
Triathlon Ireland
Tug of War Ireland
Twirl Ireland Federation
Vision Sports Ireland
Volleyball Ireland
Water Safety Ireland
Weightlifting Ireland

LOCAL SPORTS PARTNERSHIPS

Active Carlow
Active South Dublin
Cavan Sports Partnership
Clare Sports Partnership
Cork Sports Partnership
Dublin City Sport and Wellbeing Partnership
Dún Laoghaire-Rathdown Sports Partnership
Donegal Sports Partnership
Fingal Sports Partnership
Galway Sports Partnership
Kerry Recreation and Sports Partnership
Kildare Sports Partnership
Kilkenny Recreation and Sports Partnership
Laois Sports Partnership
Leitrim Sports Partnership
Limerick Sports Partnership
Longford Sports Partnership
Louth Local Sports Partnership
Mayo Sports Partnership
Meath Local Sports Partnership
Monaghan Sports Partnership
Offaly Sports Partnership
Roscommon Sports Partnership
Sligo Sport and Recreation Partnership
Sports Active Wexford
Tipperary Sports Partnership
Waterford Sports Partnership
Westmeath Sports Partnership
Wicklow Sports & Recreation Partnership

ASSOCIATE MEMBERS

Sporting Pride, Transplant Sport Ireland.

20%

1 in 5 adults are now entirely sedentary

€5,000

Proposed annual PAYE exemption threshold

€40-50m

Estimated annual revenue from an additional 1% betting levy

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Ask 2

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FEDERATION OF
IRISH
SPORT