

From: angelina.bowden-jones
Sent: Sunday, 13 June 2021 6:31 PM
To: Peter Herring; Mark Tafft
Cc: Jeremy Nash; Lachlan Cobon; Fiona L Moore; Michael S Young; Shaun Cartoon
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

Further to our earlier discussion please see further comments in red below.

Thanks

Angelina Bowden-Jones
 Global Head of Tax
 Crown Resorts Limited

PO Box 500, Victoria Park WA 6979

W: crownresorts.com.au



Herring [REDACTED]

[REDACTED], 13 June 2021 1:28 PM

From: [REDACTED] Angelina Bowden-Jones [REDACTED]

Cc: Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]; Fiona L Moore [REDACTED]; Michael S Young [REDACTED]

Shaun Cartoon [REDACTED]

Matthew Luttick [REDACTED]

David Stoddart [REDACTED]

Simon Noonan [REDACTED]

John Salomone [REDACTED]

Alan McGregor [REDACTED]

Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Mark,

See my comments below and I have left messages for Matthew Luttick & David Stoddart from the finance teams and cc'ed them on this email.

Regards

Pete

From: Mark Tafft [REDACTED]
Sent: Sunday, 13 June 2021 2:40 PM
To: Angelina Bowden-Jones [REDACTED]; Peter Herring [REDACTED]
Cc: Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]; Fiona L Moore [REDACTED]; Michael S Young [REDACTED]
 Shaun Cartoon [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Peter and Angelina,

I am just following up on Michael's email queries below? When can we expect your responses / materials?

Crown has asked Mark Robertson to have his opinion drafted by tomorrow so we really need these items as soon as possible.

Kind regards,
 Mark



Mark Tafft | Partner

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 200 George Street, Sydney, NSW 2000, Australia

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Marie Glover [REDACTED]

International Tax Review Asia Tax Awards 2017 - Asia Tax Innovator of the Year

From: Michael S Young [REDACTED]
Sent: Saturday, June 12, 2021 7:00 PM
To: angelina.bowden-jones [REDACTED]
Cc: Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]; Mark Tafft [REDACTED]; Fiona L Moore [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Angelina and Peter

Thanks for your all of your input into this.

Counsel has requested us to clarify and provide some additional information.

Car Parking and Accommodation

In relation to the bonus jackpot treatment for car parking and accommodation redemptions can you please advise the following:

Similar to the query in relation to F&B query –

What is the accounting treatment of the car parking and accommodation provided under the bonus jackpot program (eg how is revenue recognised);

David / Matthew / Simon – you will need confirm from Hotel / Service Department.

From a Gaming Machines deduction perspective the Bonus Jackpot is deducted at the time of redemption, the value is the internal transfer price set by finance

What is the income tax and GST treatment of car parking and accommodation; David / Matthew / Simon ? My understanding is there is no GST or Income tax on Hotel and Parking

There is no adjustment to taxable income for internal comps or bonus jackpots.

Further to my email dated 10/6/21 at 4.32pm AEST I can confirm that GST is not remitted on the car park and accommodation revenue

What is the process and paper trail in relation to the player receiving car parking and accommodation? For example:

- is the player provided with a voucher? No both carparking and hotel nights are electronic coupons in the system
- in relation to accommodation, invoiced and, if so, how is it invoiced (eg Is there a room charge of \$500 less a credit of \$500 for voucher/points leaving a zero balance).-

David / Matthew / Simon ?

Spreadsheet – Schedule detailing Bonus Jackpot Analysis dated 7 June 2021w BJ Master

In relation to Item 8 - Bonus Jackpots, in the BJ Master tab, (which reconciles to Rewards Amount total in cell G64 in the summary tab) there is an amount of 28,870,737.94. Are you able to split this amount to identify the amounts attributable to each of Dining, Accommodation and Car Parking please? Unfortunately I believe this would not be possible in the timeframe unless Matthew or Simon can arrange.

Please let us know if you ave any questions.

Kind regards



Michael Young | Associate Partner | Indirect Tax

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Marie Glover

From: Angelina Bowden-Jones

Sent: Saturday, June 12, 2021 4:51 PM

To: Mark Tafft

Cc: Michael S Young, Jeremy Nash, Lachlan Cobon

Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

I am still waiting on final confirmation of the journals (have received preliminary confirmation), however, if you need them today please see below:

If a patron presents a \$50 F&B bonus jackpot voucher and \$100 cash payment:

DR Bank	\$100
DR Gaming Machine Revenue – EGM department	\$50
CR GST payable	(\$9.09)
CR F&B Revenue – restaurant department	(\$140.91)

If a junket operator has a \$150 F&B comp:

DR Comp Expense – VIP gaming department	\$150
CR F&B revenue	(\$150)

Thanks

Angelina Bowden-Jones

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From: Mark Tafft [REDACTED]
Sent: Saturday, 12 June 2021 6:52 AM
To: Angelina Bowden-Jones [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Thank you Angelina. I ran out of steam at midnight but am back on the case now.

Am I right

Kind regards,
Mark



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Marie Glover | [REDACTED]

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From: Angelina Bowden-Jones [REDACTED]
Sent: Friday, June 11, 2021 11:40 PM
To: Mark Tafft [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

Payroll tax in Victoria for Crown Melbourne in F20 was \$20m and F19 \$24m.

Gaming tax in F20 for Crown Melbourne was \$255m; in the month of May 2021 it was \$16.5m.

Thanks

Angelina Bowden-Jones
Global Head of Tax



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From: Mark Tafft [REDACTED]
Sent: Friday, 11 June 2021 9:10 PM
To: Angelina Bowden-Jones [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Angelina.

I am making sure the Brief reflects Crown's role as a huge contributor to the revenues of the State of Victoria.

The Vic Budget for 21/22 (post covid obviously) projects gambling taxes at 2.15bn. How much Vic Gaming Tax does Crown pay typically? Also I see Crown is the largest single site employer in Victoria. How much payroll tax does Crown Melbourne contribute typically?

A.2 Consolidated Fund receipts

(\$ thousand)

	2020-21 budget	2021-22 budget	Provision B
Operating receipts			
Taxation			
Payroll tax	1 557 088	1 105 012	98.8
Mental Health and Wellbeing Levy**		886 700	95.4
Land tax	1 632 060	1 239 855	16.7
Fire Services Property Levy	709 049	769 626	8.5
Occupation levy	81 477	106 276	21.2
Gambling Taxes	1 124 801	1 141 779	61.7
Financial and capital transactions			
Land Transfer duty	4 582 112	4 727 478	47.2
Other property duties	17	17	—
Growth areas infrastructure contribution	139 889	181 520	26.8
Metropolitan Planning Levy	14 398	28 509	23.0
Financial accommodation levy	182 479	185 038	1.8
Levies on statutory corporations	172 300	172 300	—
Miscellaneous	1 528 421	1 826 260	7.0
Motor vehicle			
Registration fees pursuant to the Road Safety Act, No. 127 of 1986	1 897 072	1 844 297	1.5
Stamp duty on vehicle transfers	850 495	919 440	15.2
Upper licence fees		23 457	9.4
Other taxes	102 660	140 976	36.7
Total	19 734 023	18 720 721	45.5
Fines and regulatory fees			
Fines	401 493	464 874	13.8
Regulatory fees	678 774	784 360	15.6
Total	1 080 273	1 249 234	15.6
Grants received by department			
Department of Education and Training	7 500		(100.0)
Department of Economic, Land, Water and Planning	211	211	
Department of Families, Fairness and Housing		1 578	
Department of Health	83 448	81 307	(13.0)
Department of Jobs, Precincts and Regions	40	40	
Department of Justice and Community Safety	582	200	(65.4)
Department of Premier and Cabinet			
Department of Transport	730	5 708	690.5
Department of Treasury and Finance	19 434 915	21 519 803	20.6
Parliament			
Total	19 597 427	21 608 906	20.5
Interest received	477 127	475 295	(0.5)



Many thanks

Kind regards,
Mark



Mark Tafft | Partner

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From: Angelina Bowden-Jones [REDACTED]
Sent: Friday, June 11, 2021 7:41 PM
To: Mark Tafft [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Thanks Mark

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From: Mark Tafft [REDACTED]
Sent: Friday, 11 June 2021 5:39 PM
To: Angelina Bowden-Jones [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]; Fiona L Moore [REDACTED]; Brad I Miller [REDACTED]
Subject: Re: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Many thanks Angelina. I am on a train at present but rest assured I will be getting this over to Mark Robertson tonight.

Get Outlook for iOS

From: Angelina Bowden-Jones [REDACTED]
Sent: Friday, June 11, 2021 7:31:28 PM
To: Mark Tafft [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]; Fiona L Moore [REDACTED]; Brad | Miller [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

Have just received the reconciliation – please refer attached.

Will advise on the journals once received.

Thanks

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From: Angelina Bowden-Jones
Sent: Friday, 11 June 2021 5:11 PM
To: 'Mark Tafft' [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]; Fiona L Moore [REDACTED]; Brad | Miller [REDACTED]
Subject: RE: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Mark

Just to let you know that I am following up both issues internally will provide as soon as I have received responses. In the interim I have included the BJ Master spreadsheet into the Schedule and linked it for you – I am following up the reconciling item.

Thanks

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From: Mark Tafft [REDACTED]
Sent: Friday, 11 June 2021 2:44 PM
To: Angelina Bowden-Jones [REDACTED]
Cc: Michael S Young [REDACTED]; Jeremy Nash [REDACTED]; Lachlan Cobon [REDACTED]; Fiona L Moore [REDACTED]; Brad | Miller [REDACTED]
Subject: Urgent - Privileged and Confidential - Gaming Tax - Materials for Briefing Counsel - Clarifications Required

Hi Angelina,

We now have a signed engagement letter and are proceeding with the Brief.



For any further queries,

tax Impacts by Category

The BJ Master document is very helpful since it ties together categories of Bonus Jackpots, Crown descriptions thereof and includes cross-references to actual T's and C's and other documents.

For the purposes of briefing Counsel, could you please examine the attached version of the BJ Master document setting out details of "indicative tax impacts" for each of the 8 categories of Bonus Jackpots?

We have brought these figures across from the spreadsheet "Schedule detailing bonus jackpot analysis".

You will see we have attempted to correlate numbers from the spreadsheet to the BJ Master document (both are noted up using colours).

Due to categorisation differences between the two documents we have not quite been able to (a) make the totals match (b) fill in all the gaps. We have a variance of some \$4m (out of \$218m) in indicative tax impacts by category.

It would be very helpful if you could either (a) do the allocation of the remaining items : or (b) confirm they do not belong on the BJ Master document. It would also be great if you could confirm whether the allocations we have already made are correct.

Also if you could send us an excel version of the BJ Master document rather than a PDF we can create a cleaner version than the current one.

Income tax treatments – BJ Master Category 8

In relation to your email at 2.34pm today, you said
 "All comp revenue is included in assessable income
 A corresponding comp expense is booked and is treated as a deductible expense"

Could you please clarify for this example?

Crown Rewards member converts points for a \$50 dining voucher. Restaurant meal total is \$150. Cash payment is \$100. Total cost of the meal provided is \$60.

Is \$150 included in revenue for accounting purposes and is \$150 included in assessable income?

How much is booked as an expense for accounting purposes and how much is treated as a deductible expense?

Thank you in advance for your help on this.

Should you have any queries please feel free to contact either Michael Young or myself.

Kind regards,
 Mark



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