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Opinion Piece

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Dutch gambling tax may rapidly become a problem for other EU Member States

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In the run-up to the parliamentary committee debate on fiscal policy on March 11th, 2026, a joint letter was sent to the members of the standing committee for Finance by representative bodies from across the regulated gambling market.¹ It raised concerns about the effects of the recent increases in the Dutch gambling tax on the functioning of the regulated market. The letter therefore calls on Parliament to ensure that the promised evaluation of the tax increase is delivered in the second quarter of 2026 and that the results are taken into account in upcoming fiscal decision-making. Will that be enough? Doubtful. When such a wide group chooses to address Parliament together, it usually signals that something at a systemic level is not working as intended and that policymakers would be wise not only to listen, but to act.

The Netherlands has stepwise increased the gambling tax rate to a now whopping 37.8 percent of gross gaming revenue in 2026. These increases were supposed to generate additional tax revenue for the state. However, the letter joins regulator Kansspelautoriteit in raising doubts about whether the policy is achieving that fiscal goal. Instead, monitoring data suggests that tax revenues are under pressure, illegal supply appears to be growing and contributions to sport and charitable causes are declining.

Earlier this year I noted that the current policy as expressed in the regulator's supervisory agenda suggests a path that would move away from stable regulatory design toward a model that increasingly relies on turning up the pressure, through higher taxes, stricter rules and stronger enforcement. Without sufficiently considering how these measures affect the functioning of the regulated market as a whole, that might become catastrophic.² At the heart of this discussion lies the principle on which the Dutch gambling system is built: channelisation. The purpose of regulation is to guide players toward licensed operators, where consumer protection rules, responsible gambling measures and anti-money-laundering safeguards can actually be enforced. But channelisation only works if the regulated market remains strong enough to compete with illegal supply.

No channelisation without a strong legal market

From a policy perspective that values predictable regulation, fiscal realism and stable markets, the current trajectory raises legitimate questions. Tax policy can be an effective tool, but it should not become a blunt instrument that weakens the very market on which regulatory oversight depends. You cannot defend

¹ https://prdproduction.ams3.digitaloceanspaces.com/zenith/946/2026_03/JHTaJv2sVvWfd1vNeEdKN9on9mvBflm0gHhcH3vH.pdf

² https://www.gaminglegalgroup.com/_files/ugd/e575da_63d6fb8ca24145ae9f25c35f2c588370.pdf

channelisation as the core objective of gambling policy while weakening the legal market that makes channelisation possible.³

Three observations follow from this.

First, fiscal policy should never be allowed to undermine the regulated market it depends on. A tax increase that weakens licensed operators while illegal supply expands ultimately works against both fiscal and regulatory objectives. Second, effective regulation requires cooperation with the regulated sector itself. Governments may design regulatory frameworks, but they depend on licensed operators to make those frameworks function in practice.

Spillover

And finally - perhaps the most important point that has received the least attention so far in this debate - there is a very real European spillover from these Dutch policies.

Online gambling markets do not stop at national borders. If fiscal and regulatory pressure weakens the Dutch licensed market, players will increasingly turn to operators outside the Dutch system. Some of these operators may be located in other EU jurisdictions, while others operate entirely outside regulated European frameworks. In both cases the practical result is the same: Dutch demand for gambling does not disappear, but moves elsewhere. That creates a regulatory challenge that no longer concerns only the Netherlands. A weakening of channelisation in one Member State can strengthen cross-border illegal supply and make enforcement more difficult across the wider European market.

Consequences do not stop at the national border

If national policy pushes players out of the regulated market rather than keeping them within it, the consequences do not stop at the national border. This is particularly relevant in a sector where many operators already target multiple EU markets simultaneously. When illegal or unlicensed platforms gain scale by attracting displaced players, their reach across Europe inevitably grows as well. In that sense, national policy choices can affect the balance between legal and illegal supply far beyond the country where those policies originate.

At the same time, Member States continue to insist on maintaining national control over gambling regulation and remain reluctant to support EU harmonisation. That position is understandable for fiscal and political reasons, but it also implies a certain responsibility. If gambling markets remain nationally regulated, policymakers should at least ensure that domestic policy choices do not unintentionally destabilise the regulatory efforts of other Member States.

The reverse is also true. When regulatory control weakens in one jurisdiction, illegal operators may simply concentrate their activities in markets where policies are the least consistent. After all, operators that do not intend to comply with the law are unlikely to be deterred by high tax rates alone. It is therefore in the interest of every Member State - including the Netherlands - to maintain policies that preserve a stable and well-functioning regulated market.

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³ https://www.gaminglegalgroup.com/_files/ugd/e575da_541ac1bb122c4b09abebd03d800555c6.pdf