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Avinash Kumar



Avinash Kumar has completed his Ph.D. in International Investment Law from the Dept. of Law & Governance, Central University of South Bihar. His research work is on "International Investment Agreement and State's right to regulate Foreign Investment." He qualified UGC-NET and has been selected for the prestigious ICSSR Doctoral Fellowship. He is an alumnus of the Faculty of Law, University of Delhi. Formerly he has been elected as Students Union President of Law Centre-1, University of Delhi. Moreover, he completed his LL.M. from the University of Delhi (2014-16), dissertation on "Cross-border Merger & Acquisition"; LL.B. from the University of Delhi (2011-14), and B.A. (Hons.) from Maharaja Agrasen College, University of Delhi. He has also obtained P.G. Diploma in IPR from the Indian Society of International Law, New Delhi. He has qualified UGC – NET examination and has been awarded ICSSR – Doctoral Fellowship. He has published six-plus articles and presented 9 plus papers in national and international seminars/conferences. He participated in several workshops on research methodology and teaching and learning.

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TAX LIABILITY UPON FANTASY SPORTS IN INDIA

AUTHORED BY - SOHAM SAHA & SOUMYADEEP KAR

KIIT School of Law

1. ABSTRACT

It is no wonder that fantasy sports have garnered a huge following among the online gaming community in India and many of them are choosing to play fantasy games online on different platforms. However, it seems that the problem of taxing income from this kind of behaviour as ambiguities arises in reading the meaning of existing laws and policy clarifications. This paper is going to explore the complexities of taxation of fantasy sports in India by taking a holistic approach in an attempt to address them. The paper takes a detailed look at the legal framework of fantasy sports competitions, including the applicability of the Income Tax Act, of 1961, and judicial rulings. It critically analyses a discussion about whether fantasy sports are games of skill or chance and that the classifications of these types of earnings matter a lot for due taxation. Secondly, the work inspects the relevance of the part-time employment model and the possible taxes the involved professionals and casual players might need to pay. Its examination also looks at the tax responsibilities of fantasy sports providers and playing platforms, such as the problem of imposing GST and TDS. A comparative study of several international taxation systems is what this research paper will aim at, to derive lessons and show ideas that could be useful for the conceptual design of a fair and applicable tax system in digital sports in India. Based on this research, it is possible to conclude that there may be several regulatory gaps in the taxation of fantasy sports. Such broadcasts would give recommendations to policymakers, lawyers, and fantasy sports stakeholders. This paper offers a solution to eliminate the ambiguities and affirmations of the existing taxation framework. This proposed framework facilitates the creation of a system where taxation is transparent and fair to this fast-growing sector.

Keywords – Fantasy sports, GST, TDS, Stakeholders, Income Tax Act.

2. RESEARCH METHODOLOGY

2.1. Study Goal:

The primary aim of the project is to analyse the tax implications of fantasy sports in India. This study is geared towards achieving an understanding of the tax regulations governing fantasy sports platforms, ascertaining the tax obligations for such platforms as well as players thereto, and proposing changes to the taxation regime as applied in this emerging industry.

2.2. Study Plan:

- **Descriptive Study** - This research will mainly use a descriptive method to clearly explain the current tax scene for fantasy sports in India.
- **Analytical Study** - It will also use analytical steps to look at the effects of different tax setups and ways to follow tax rules and make them better.
- **Qualitative Analysis** - Affirmative choices will afford an outlook from business executives, and tax consultants, thus allowing them to express their opinions concerning how the tax legislation on the field of fantasy betting functions.
- **Quantitative Analysis** - Involving mathematics is gathering money figures earned by fantasy sports websites, taxes remitted, and their consequent effect on the finances of the players through the quantitative method.

2.3. Ways to Gather Data:

- We will check through previous writings such as school papers or government reports, etc., which concern tax laws about fantasy sports in India. - Getting New Info: We will get in touch with significant persons like heads of fantasy sports sites tax people law specialists or players themselves to get new info.
- We will look for information from both financial statements and an assortment of other sources like fantasy sports updates before going on to check for answers related to money-making while at stake there are websites where these games are played that show how much they've made after accounting for deductions due to the government.

3. LITERATURE REVIEW

Ashlesha Suryawanshi, in her paper titled "*Literature Review on Tax Liability on Fantasy Sports in India*" published in "*Legal Spectrum Journal, Volume 1, Issue 2 (2021)*" stated that fantasy sports have gained fast-paced popularity in India but taxation is a problematic issue

that is contentious. Whether they are classified as games of skill or luck will ultimately determine their tax liability. One of the most important issues is double taxation, where the platform operators will get exposed at various stages to multiple tax rates, compliance would be in issues of law uncertainty. There is further confusion over the treatment of competition earnings as returns on investment; taxability will be settled as income. Experts are demanding tax reforms in order to address over-taxation and give certainty, which is a cause for growth in the industry. More research needs to be done in trying to uncover the potential impact that those changes will have, especially in regards to government regulation of online games such as internet gambling where no taxes are collected.

Manvee, Agarwal, Ananya Gauri in their research paper titled “*Taxation in Online Fantasy Sports - An Indian Perspective*” published in “*Legal Spectrum Journal, Volume 1, Issue 3 (2021)*” stated that the growing popularity of epic online games in India has driven conversations about the taxation policy for this rapidly growing sector. Specifically, Manavi Agarwal and Ananya Gauri in their article have gone deep into the tax challenges of epic online sports from an Indian viewpoint. The paper gives insights on changing legislation and the problems with an existing tax regime. It has been noted that authors point out that for industry to continue growing it has to be supported by fair and clear tax laws. Examining Fantasy sports categorization as a skill-based game relies on looking at the details of the various ways in which both theatre owners and users face direct taxes besides financial obligation. Also, this article considers double taxation whereby both income and services rendered by these platforms can attract more than a single charge, and the respective operators as well as users of such platforms may owe tax to different posts detailed analysis and insights on tax challenges faced offer valuable perspectives by Manavi and Agarwal, Ananya Gauri. Their article is an important contribution to the literature, recommending reforms to create a favourable tax environment that fosters innovation, investment, and compliance in the sophisticated online sport.

A well-thought-out article by Marc Dib, titled “*A Game of Skill or Chance: Why Texas Should Legalize Daily Fantasy Sports*” published in “*A Game of Skill or Chance: Why Texas Should Legalize Daily Fantasy Sports*” explores daily fantasy sports (DFS) being the debate about whether DFS should be authorized to operate in Texas was founded on whether it is a game of skill or just a gambling activity. According to Dib, DFS is a game that pits skilled players against other skilled players in a competition that works mainly on strategic analysis and expertise. He establishes this argument using legal precedence and empirical studies showing

that DFS is not a game of chance but a game of skill that therefore has to be legalized. Dib throws up points concerning potential benefits in the areas of consumer choice, business development, and regulatory control. He speaks in favour of legalization of DFS and exhortation to policymakers of Texas to treat it as a source of income and entertainment, arguing fairness to consumers, consumer freedom, and reasonable regulation in Texas for the sports betting industry.

Thomas Wisniewski in his research paper titled “*A Game of Skill or Chance: The Legality of Daily Fantasy Sports in Canada and the US*” published in “*Transnational Law and Contemporary Problems, Volume 26, Issue 2 (Summer 2017)*” goes through the complex legal world that faces daily fantasy sports (DFS) in both Canada and the US. This paper provides an advanced analysis concerning the regulations of Daily Fantasy Sports in different nations, with a focus on whether the DFS is viewed as a competition of skill or a game of chance, and its implications on the legal aspect. Therefore, with the help of comparison between court decisions, laws, and interpretation, the concept of how laws and regulations governing sports betting and gaming evolve over time is utilized. The Wisniewski paper stresses the necessity of border-transcending regulatory consistency by providing valuable insights to legal professionals and policymakers in boosting debate on regulating international sports betting and gaming.

4. INTRODUCTION

In Indian human society, sports like Football, Rugby, Tennis, Badminton, and Cricket as well as other popular sports not only play a crucial role but also an essential role. These sports are watched by millions of fans. In modern times, fantasy sports are all the rage. These are online games where users form virtual teams that are composed of professional players, and points are earned based on professional players’ real-life data and statistics which are converted into fantasy points. Nowadays, the term “Fantasy sports” is being used by most of the people. This term is advancement in technology and high internet penetration worldwide. That’s why it is too much popular. This term is formed of two words. One is “Fantasy” and the other is “Sports”. Fantasy sports which are online games are based on the skill of participants. There are various sports platforms where participants compete against one other’s team based on the real-life data and statistical performance of professional players.

First and primarily users played these sports virtually online through Internet connectivity, with

players creating fictitious virtual teams made up of real-life players from the sport in question. Secondly, the teams created by fantasy sports players compete according to the players' actual game performance as measured by real-life statistics. The user builds their squad in that specific fantasy sport by converting the real-life performance of those players into points, which are then added up and totalled appropriately. Fans may increase their engagement with their favourite sports by participating in fantasy sports. In the United States of America, fantasy sports started to take shape in 1952. ESPN Star Sports introduced fantasy sports to India in 2001. The number of players in the Indian fantasy sports industry has surpassed 100 million, and it continues to rise. The Federation of Indian Fantasy Sports has reported that the Fantasy market might have a valuation of \$ 3.7 billion by 2014.¹

Fantasy sports have come out extremely popular during the last decade in India, thanks to platforms such as Dream 11 and Mobile Premier League. Critical factors here will be wide 4G internet availability, penetration of affordable smart-phone, and celebrity endorsements by influencing stars such as Rohit Sharma, Virat Kohli, and MS Dhoni. Fantasy sports appeal to Indian sports fans, particularly the youngsters, as they offer a far more engaging way of interacting with games. Fantasy sports, for which they have been termed as a game of skill, attract more people to the platform as placing bets is illegal in India.

Even though fantasy sports began to gain popularity in India in 2005, it took over ten years. The lack of technological progress and knowledge of fantasy sports is the cause of this, but players now have a platform to participate in fantasy sports thanks to the growing availability of reasonably priced smartphones and internet connections, and social media helps spread awareness of this. The primary objective of fantasy sports is to develop a player's ability so that he may make wise decisions and profit monetarily. One of the fastest-growing sectors in India is online gaming, with platforms such as Dream 11, Mobile Premier League, Hala Play, My 11 Circle, My Team 11, Balle Bazzi, iGamio, Nostra Pro, and others offering live sports action.

The dispute over whether fantasy sports are allowed in India centres on whether they are “games of skill” or “games of chance,” which makes the local laws governing internet gaming and fantasy sports unclear. Although fantasy sports are not governed by any specific laws in India, gambling and betting are governed under the Public Gambling Act of

¹ Suryawanshi, A. (2021). Tax Liability on Fantasy Sports in India. *Legal Spectrum J.*, 1, 1.

1867. The aforementioned Act does not apply to video games that require actual abilities. The Indian Constitution allows the states to enact laws about gaming and betting because they fall within the State list. Even though fantasy sports are based on abilities and genuine talent, they are prohibited in several states, including Tamil Nadu, Andhra Pradesh, Assam, Odisha, and Telangana. Nonetheless, in the case of *K.R. Lakshman v. State of Tamil Nadu*², the Hon'ble Supreme Court ruled that fantasy sports and online sports are legal since they are skill-based games.

5. CURRENT STATUS OF FANTASY SPORTS

We are aware that young people make up the majority of users of online fantasy sports worldwide, and that, in addition to internet penetration and the low cost of smartphones, one of the main factors driving the growth of online fantasy sports is the growing youth population. With a compound annual growth rate (CAGR) of 9.5%, the online fantasy sports industry is predicted to expand globally from \$20.36 billion in 2020 to \$22.31 billion in 2021. At a Compound Annual Growth Rate of 14.7%, the Online Fantasy Sports market is projected to reach a worth of \$38.60 billion by 2025. According to UN estimates, 1.2 billion individuals worldwide, or one in six people, were between the ages of 15 and 24 in 2019³. There is one person in this age group, and by 2030, there will be 1.3 billion people in this demographic, an increase of almost 7%.

Because today's youth spend more time on their smartphones than with their families, the growing youth population worldwide is fuelling the growth of the fantasy sports industry. With the advent of social media and fantasy sports, young people have found a great way to connect with others, engage in fun conversations, and compete with their peers. As a result, the younger generation has a huge opportunity to support the expansion of the fantasy sports market.

This data shows how much potential the fantasy sports market has to create more income and other opportunities for the Indian populace. The Indian gaming industry generated approximately Rs-2600 crores for these supplementary industries, which include payment gateways, technology providers, media agencies, and other platforms.

² 1996 SCC (2) 226.

³ Suryawanshi, A. (2021). Tax Liability on Fantasy Sports in India. *Legal Spectrum J.*, 1, 1.

6. ROLE OF SOCIAL MEDIA ON FANTASY SPORTS

Everyone knows that social media, particularly in India, had a global boom with the introduction of 5G internet access and the affordable availability of mobile data. India now has 518 million social media users, and by 2040, that number is predicted to rise to 1.5 billion. Thus, it is possible to estimate the extent to which social media will contribute to the growth of the Fantasy Sports Platform user base.

Social media has a significant influence on fantasy sports via the following means –

- Social media websites are one of the primary sources for sharing news and ideas about any meaningful event in fantasy sports. People talk about their players' performances, injury status, trade possibilities, or other relevant news that may impact the way one's fantasy team is cared for.
- Major social media has developed their fantasy sports forums, where individuals may frequently chat about their experience, exchange advice, and tactics, and operate with other players' dealings. Another method social media influences this Activity is through production.⁴
- People use social networks to build visual graphics detailing how to beat their opponents in a week; they create rankings and commentate on each other.
- During live sporting events, social media provides real-time updates on player performance, game scores, and other information. As a result, fantasy players can monitor and tweak their line-up consistently.
- Social media is actively used by fantasy sports platforms, leagues, and associated domains. This includes conducting contests and giveaways and utilizing sponsored influencers and posts to attract new users and engage current users.
- Social media platforms allow the end consumer to communicate with professional athletes. Professional athletes interact with fantasy sports players on social media, making it simpler to communicate and allow athletes to make post-public shout-outs.
- Fantasy leagues often take advantage of social media to communicate with their members. As aforementioned, social networks can act as a message board or a scheduled program for announcing the commissioner's decisions and promoting transaction activity sites.

⁴ Wisniewski, Thomas. (2017). A Game of Skill Or Chance: The Legality of Daily Fantasy Sports in Canada and the US. 26 *Transnat'l L. & Contemp. Probs.* 523.

- social media data can be mined and analysed for trends in the pattern of behaviour by fantasy enthusiasts. Additionally, such an in-depth analysis helps experts on the emerging trends in the market and research worthwhile hot topics for fantasy sports companies and users.

Therefore, it is clear from the examples and strategies provided by online fantasy sports companies how social media plays a significant part in both attracting new leads for the respective business and keeping existing customers engaged.

7. NITI AAYOG ON FANTASY SPORTS IN INDIA

The NITI Aayog has reportedly recommended a self-regulatory governing body for online fantasy sports in a draft study named “Uniform National-Level Regulation of Online Fantasy Sports Platforms in India – Guiding Principles”. The uniform national regulation of fantasy sports is the key factor that remains overlooked, and thus is the main impediment, for the industry to thrive and make legally available the different kinds of such Online fantasy sports users in India were just 2 million in the year 2016, but, after 3 years, 90 million users were registered by the end of 2019 having a CAGR of 212%. To the tune of 10,000 crores Indian rupees, FDI is likely to get a lure of fantasy sports that would possibly be let in coming years as per our studies. By 2023, the Amazon Forecast is expected to have 1.5 billion online purchases.⁵

The office of the Federation of Indian Fantasy Sports (FIPS) is the administrative body that has been previously referred to as an Introductory part and it is in this new role that it sets standards for the fantasy sports industry in India. The Federation starts the process of adopting a decent self-ruling code of conduct for the online fantasy platforms until the local and state governments cease their legislation on those particular aspects.

8. TAXATION UPON FANTASY SPORTS IN INDIA

The concept of taxation on fantasy sports in India has attracted a lot of interest lately as the sector develops and grows. Due to the rising popularity of fantasy sports among the nation’s sports fans, a large number of online platforms have come into this space to provide these services. Nonetheless, there has been continuous discussion and disagreement on the taxation structure and its implications for this sector.

⁵ Ibid.

After the legality of fantasy sports, the tax implications become relevant. These games are subject to tax enforcement. Consequently, winnings from sports play on apps such as Dream 11, My 11 Circle, etc. are subject to taxation under Section 115B of the Income Tax Act. These victories consist of -

- *Lotteries*: winnings are subject to a 30% tax under Section 115BB of the Income Tax Act, in addition to a 28% tax imposed by the state government on the face value of the ticket.
- *Horse Racing*: The Good and Service Council levied a tax on the whole amount wagered in horse racing, and Section 194BB of the Income Tax levied a 30% tax rate on the winnings.
- *Prize Competition*: By Section 194B of the Income Tax Code, prize competitions, such as crossword puzzles and card games, are subject to a 30% tax.⁶

In India, the legislation and implication of taxation of fantasy sports are looked after by the Public Gambling Act of 1867 and the Information Technology Act of 2000. The taxation on fantasy games is as follows-

- Fantasy Sports and online betting winning is taxable under section 115 BB of the Income Tax Act 1961, under the head “Income from other Sources”.
- Section 58(4) of the Income Tax Act 1961 provides that no reduction or expenditure is allowed to be claimed against such income.
- Income tax on prize-winning money from its fantasy sport is taxable @ 30% - excluding cess and surcharge
- The platform paying out the winning money will have to deduct tax at source under section 194B of the Income Tax Act 1961 @ 30% if the prize-winning money exceeds Rs 10,000.
- TDS deducted by the platform at the time of payment will be displayed in Form- 26AS of the use- the user can take credit of TDS while filing his/her Income Tax.

The indirect tax liability on fantasy sports platform operators is as follows-

- The registration fee deposited by every player, a portion of these fees, say 10% is transferred as a platform fee, and this is revenue for the online operator.

⁶ Dib, Marc. (2019). A Game of Skill Or Chance: Why Texas Should Legalize Daily Fantasy Sports. 51 Tex. Tech L. Rev. 361.

- The remaining 90% is the actionable claim, which is the prize money and is transferred to the winner on winning the same.
- The actionable claims, at present, which are for the game of skill, are not covered by specific valuation rules (Rule 31 A0 specified under GST rules 2017, therefore falling under the exception under GST Act 2017, for GST valuation.
- Schedule III read with Section 7 of CGST Tax also provides for activities that are exempted from the levy of GST as such activities are not considered as Supply of Goods and services, all actionable claims fall under activities mentioned in Schedule III.⁷

Even though taxation-specific regional regulations have created some sort of framework, some queries and challenges remain unanswered. Hence, differentiating between a skill game and a chance game is a problematic factor in the legalization of fantasy sports games because of the framework of that game.⁸

The argument that more control should be exerted on the distribution of currencies is, however, not the only concern raised about this new method of doing transactions. Besides, the fear that there will be tax evasion has also been aired. Some individuals have concluded that the government authorities to consider the proper but appropriate arrangement of the tax system for the fantasy sports sector because of its uniqueness.

Professional fantasy sports players and those that play fantasy sports for the main of their income: this is another issue that has to be tackled. The criteria to help determine how these taxes should be applied to professional leagues dedicated to fantasy sports but the guidelines currently in place are designed to advise the casual players.

It is important to remember that the fantasy sports market in India is still in its infancy, and as it develops and becomes more well-known, the legal and taxing environment is likely to change even more. A comprehensive and equitable taxation structure that supports sector growth while guaranteeing compliance with pertinent rules and regulations will require constant communication and cooperation between industry players, legislators, and tax authorities.

⁷ Ibid.

⁸ Manvee; Agarwal, Ananya Gauri. (2021). Taxation in Online Fantasy Sports-An Indian Perspective. Legal Spectrum J., 1, 1.

9. TAX LIABILITY OF THE PLAYERS

In India, if you play fantasy sports, how much tax you owe depends on a few things. This includes whether you play just for fun or as your main job, how much money you win, and the tax rules that apply to your situation. Let's break it down:

9.1. If You Play Just for Fun: People who play fantasy sports for fun or to pass the time fall under a category where their winnings are seen as "Income from Other Sources" according to the Income Tax Act of 1961. Here's what happens tax-wise:

9.1.1. Tax Deduction at Source (TDS): If you're playing from inside India or you're not an Indian resident but you win more than ₹10,000 in a year, the fantasy sports platforms will take off tax before they give you your winnings. This tax is 31.2% for those not living in India and 30% for those who are.

9.1.2. Self-declaration: If you win less than ₹10,000 in a year, there's no need for the platform to deduct tax. But you still have to tell the tax department about this money when you file your yearly tax return and pay any tax that's due based on your total income for the year.

9.2. For Career or Full-time Players: For those who make a living from playing fantasy sports or consider it a major income source, their winnings are treated as "Profits and Gains from Business or Profession" under the same tax law. They deal with taxes a bit differently:

9.2.1. Income Tax: These players must keep detailed records of what they earn and spend on fantasy sports. The money they make after expenses is taxed according to different levels of income tax.

9.2.2. Goods and Services Tax (GST): They might also need to handle GST on their earnings if what they make goes over a certain amount or meets other conditions set by the GST laws.⁹

9.2.3. Tax Deducted at Source (TDS): If a career player gets paid by fantasy sports platforms, these platforms might need to withhold tax from their payments at the rates set by law. Keep in mind that tax stuff can change based on where you live, how much you make elsewhere, and if you can use any tax breaks or deductions.

It's a good idea to talk to a tax expert or look up the Income Tax Act and other rules to make sure you understand what you owe.¹⁰

In general, the amount of wins, the type of participation, and the player's overall tax status determine the tax burden of fantasy sports participants in India. It is imperative that all parties

⁹ Ibid.

¹⁰ Ibid.

involved in this industry, whether professional or informal, adhere to the applicable tax laws and regulations.

10. TAX LIABILITY OF E-SPORTS' COMPANIES

The tax liability of India's fantasy sports companies has many sides to it. Here is an account of the main tax duties and considerations for such firms:

10.1. Goods and Services Tax (GST): Fantasy sports platforms are mandated to levy GST on the service fees collected or entry fees charged from participants. The GST Council has treated fantasy sports as a supply of actionable claims attracting 18% GST.

10.2. Income Tax: Corporate income tax is leviable on net profit earned by fantasy sports companies just like any other business entity in India. Presently, a domestic company is taxed at the rate of 25% plus applicable surcharge and cess.

10.3. Tax Deducted at Source (TDS): As per provisions of the Income Tax Act, of 1961 fantasy sports companies need to deduct TDS on payments made to players as well as other service providers. Specific TDS rates and thresholds depend upon the nature of payment & residential status of the payee.

10.3.1. TDS on winnings: In case winning exceeds ₹10,000 during a financial year then non-resident players shall be subject to TDS @ 31.2% while resident players @30%.

10.3.2. TDS on other payments: Form state school authorities deduct a tax deduction at source (TDS) on all payments directed to various service providers, examples of which include advertising agencies, consultants, and contractors, at the rates set out under the Income Tax Act.

10.4. Equalization Levy:

In case a fantasy sports business gets earnings from its players abroad as well as the customers who can be non-residents, the company may be eligible for the Equalization Levy to which it is introduced to tax digital commerce evenly under the situations of which it was happening on a physical shop. This tax rate is currently 6 percent in aggregate on the listed services made by non-residents.¹¹

¹¹ Holden, J. T. (2019). Regulating sports wagering. *IOwA L. REv.*, 105, 575.

10.5. Permanent Establishment (PE) Considerations:

For many years, renowned fantasy sports companies in foreign have been operating in India, which may have consequences from the point of view of establishments and relevant tax treaties. Induction of a PE can be a prospective matter in terms of corporate income tax in India on the incomes of the PE in India.

10.6. Transfer Pricing:

In the case when a business of fantasy sports is dealing with related party transactions or operations across different countries with its affiliates, that business should follow transfer pricing rules and ensure that all of the transactions are conducted on fair market principles, i.e., at an arm's length price.

10.7. Compliance and Reporting:

This will necessitate making the fantasy sports companies maintain their books of accounts properly, file the GST returns (or TDS returns for short), and comply with the various reporting requirements under the respective tax laws.

The tax landscape for the fantasy sports companies is permanently in a state of chaos and it might take a lot of hard work and labour to overlook all the modifications and changes undertaken in tax law and labour regulations. Companies that are involved in tax matters need expertise from their tax consultant to address the problem of disputes with the tax authorities and to be careful with their tax strategies.¹²

11. CURRENT TAXATION RESULTS IN DOUBLE TAXATION

Many fantasy sports platforms in India operating under the current tax regime often bemoan the issue of double taxation. Their activities are viewed as gambling hence making them subject to direct as well as indirect taxes.

11.1. Direct Taxes: Income taxes apply to their proceeds-making fantasy sports platforms, under the service provider categorization which they commonly have. This is because a reading of their money-making processes as gambling-like earnings brings complexity issues. They are thus supposed to remit taxes on their earnings, yet taxed on player's entrance fees too thus

¹² Ibid.

paying taxes twice at the platform level.

11.2. Indirect Taxes: When participants join fantasy sports contests, they have to pay goods and services tax (GST) on the entry fees. It means that the income is taxed twice - at the platform level and then again at the participant level. Apart from overburdening the players, double taxation on this income base can make it impossible for those involved in managing fantasy sports platforms to survive economically.

11.3. Impact on Compliance and Growth: Fantasy sports platforms bear a double burden as they are affected by double taxation, hence complicating compliance issues. This hampers growth prospects for that sector by discouraging investment and innovation. High tax rates attached to earnings serve as a scare away from potential participants hence reducing traffic to the areas as well as accounting complexities it presents make it hard for one to join.

11.4. Need for Reform: To deal with double taxation effectively, it is urgent to carry out tax reforms that are appropriate to the peculiarities of fantasy sports. It is critical to reassess how the tax system treats fantasy sports platforms since they are different from regular betting and this will help in the prevention of burdensome taxation as well as the promotion of a good ambiance for the growth of the industry.

In a real sense, for fantasy sports platforms and participants, the current taxation regime makes them suffer double taxation, which gives a significant barrier to growth and sustainability in this field. To enable India's fantasy sports industry to realize its full capabilities, there is no other choice but to deal with this matter by making specific tax adjustments.

12. CONCLUSION

In conclusion, the taxation landscape surrounding fantasy sports in India presents a complex and challenging scenario marked by the phenomenon of double taxation. Our exploration has revealed the burdensome implications of this double taxation, both for fantasy sports platforms and the participants who engage with them. The current framework, which treats fantasy sports akin to gambling activities, imposes direct and indirect taxes at multiple levels, leading to financial strain and compliance hurdles.

However, amidst these challenges lies an opportunity for reform and innovation. Recognizing

the unique nature of fantasy sports as skill-based competitions rather than games of chance, there is a clear imperative to revisit and revise the existing tax regulations. By doing so, we can alleviate the burden of double taxation, promote fairer treatment of fantasy sports platforms, and incentivize participation and investment in this burgeoning industry.

Furthermore, beyond the realm of taxation, addressing these issues holds broader implications for the growth and maturation of the fantasy sports ecosystem in India. A conducive regulatory environment, characterized by clarity, fairness, and efficiency in taxation, is essential to unleash the full potential of fantasy sports as a source of entertainment, revenue generation, and economic activity.

As we navigate the path forward, collaboration between policymakers, industry stakeholders, tax experts, and legal professionals will be paramount. By fostering dialogue, sharing insights, and embracing innovative solutions, we can pave the way for a tax regime that not only supports the sustainable growth of fantasy sports but also reflects the evolving dynamics of the digital economy.

