

From: [John Burge](#)
To: [Tax Board](#)
Subject: Submission by John Burge to the Board of Taxation's review into small business concessions
Date: Monday, 16 July 2018 8:11:25 PM

1. Thank you for the opportunity to make this submission.
2. In part, it is informed by and reflects my experience in my current occupation carrying on a small business as a rideshare driver (Uber, GoCatch and Ola).
3. I would be happy to be involved in further consultation.

FLOW-THROUGH ENTITY TREATMENT

4. I recommend the introduction of flow-through entity treatment as an option for closely-held small businesses. This could be modelled on the S Corporation treatment in the United States.
5. Flow-through treatment would help ensure appropriate treatment throughout a small business's life cycle and would help avoid the need for complex structures of the kind referred to in the consultation paper.

\$20,000 INSTANT ASSET WRITEOFF

6. The \$20,000 instant asset writeoff is important for rideshare drivers and other small businesses including for the purchase of cars and smartphones.
7. This concession should become an ongoing feature of the tax system rather than be subject to ad hoc annual extensions. These ad hoc extensions lead to unacceptable uncertainty in investment decisions and planning.

UNINCORPORATED SMALL BUSINESS DISCOUNT

8. The current offset is capped at \$1,000 per individual for each income year. This cap should be removed given that there is no equivalent cap for small business companies benefiting from lower company tax rates.

IMMEDIATE DEDUCTION FOR PROFESSIONAL EXPENSES

9. The immediate deduction for professional expenses and certain taxes does not currently extend to mandatory health reports required to establish a rideshare business (and many other businesses).
10. The immediate deduction should be extended to cover all expenses that come within the scope of the general deduction over five years for 'blackhole expenses'.
11. At a minimum, the deduction should be extended to cover health reports of this kind.

ATO ADVICE

12. It would be an opportunity missed if the Board's report didn't include recommendations directed to the Australian Taxation Office. The Board's review several years ago into the capital gains tax small business concessions, for example, included such recommendations.

13. Policy, legislation and administration (PLA) need to be in alignment.

14. In the early days, the Tax Office did a creditable job in providing advice to rideshare drivers. This included general guidelines and webinars (including online summaries of the webinars).

15. More recently, that assistance has dried up. The webinar summaries are no longer available.

16. The Tax Office could usefully reinstate the earlier arrangements. This would include an online Q & A document to complement the current guidelines. There should be an email address available to rideshare drivers and their tax agents to raise questions for answers via the online Q & A document.

FURTHER CONSULTATION

17. I would be pleased to be involved in any further consultation.

18. I may be contacted by phone on 0429 033 937 or by email on Johng.burge@gmail.com.

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Regards.

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