

# GMA TAX

## Tax Agent & Accountants

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Board of Taxation Secretariat  
C/- The Treasury  
Langton Crescent,  
PARKES ACT 2600

Received  
11 AUG 2008  
Board of Taxation

Dear Secretariat,

### **Review of Legal Framework for Administration of the GST**

I wish to make the following comments in regard to the above, with particular emphasis with the BAS Easy concept.

Background.

I am a Tax Agent with a client base of mainly GST registered micro businesses.

I am concerned that the introduction of the proposals will add even more complexity and uncertainty to an already complex system.

The proposal sounds fine in theory however I raise the following points.

As I understand the proposal, BAS Easy can only be applied to businesses that have all expenses with GST only.

I am prepared to say no business has **all** expenses subject GST, ie vehicle registrations, bank fees and charges and some type of insurance do not have any GST or the full 10% GST. This is due to state government fees and charges being added after the GST.

The concept of BAS Easy relies on there being no changes to the business expense types ie all expenses with have GST included. This is not part of the real world of business as changes do occur. A business may change whereby they commence, or cease having GST free expenses.

For example, a business may have the need to employ some-one as an employee ie no GST applies, or, engage a non GST registered contractor.

*There are no transitional arrangements to handle these situations in the proposal.*

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**Issue Paper Examples.**

Page 107 Appendix D: BAS Easy snap shop method example

Page 111 Appendix E: Bas Easy business norms method

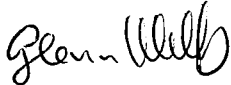
What will Harry have to do in either of these examples if he :

1. needs some assistance and decides to contract a non GST sub-contractor to help him for a short period only and has vehicle registration for his ute ?
2. Harry finishes the job with his sub-contractor and no longer requires his services ?

How will BAS Easy handle the above situations ?

I trust you understand my comments and am more than happy to discuss them further.

Yours faithfully



Glenn Mellross  
7th August 2008