



Australian Government

The Board of Taxation

Review of the Legal Framework for the Administration of the GST

Tax professionals consultation meeting Darwin, 14 August 2008, 9.30-11.00 am

Summary of key issues

- Construction Issues – Div 129 adjustments. Construction projects can involve the building of 50 units and only 2 are kept to be rented out. The adjustments are time consuming.
- Why is there the tax agent extension for quarterly BAS taxpayers and not monthly BAS taxpayers? The December extension is a particular example of the benefits that quarterly lodgers get over monthly. There are taxpayers who would go on a monthly system but feel they will be disadvantaged.
- There is an education issue with small business (individuals and sub-contractors) on withholding and GST issues. Individuals do not understand if they are employees or independent contractors. Quite often employers do not understand their obligations.
- Need clarification as to whether the Joint Petroleum Development Area is connected to Australia for GST purposes as the ATO fact sheet suggests that some of it won't be.
- Registration thresholds can be confusing. Looking forward and back can be confusing to a client – particularly looking forward. Difficulties with tracking change of use adjustments depending on whether you are a quarterly or monthly payer when you originally registered.
- Education issue with deciding whether to use quarterly or monthly reporting.
- The Tax Office in Darwin is not big enough to deal with basic GST questions and they therefore get pushed back onto accountants. They would like to see an ATO education officer in the Darwin ATO to deal with off the street questions. Internet and phone services will not work for most of these people.
- Retaining records is an issue for small business - the “Fly in fly outs” in particular, who have difficulties with retaining paperwork. The same thing is happening with small practices. Problems with record keeping are greater with the smaller individual taxpayers.
- Complaints about penalties for non-lodgement of BAS when working abroad or interstate.
- Correction of BAS – corrected BAS is sent back out by the ATO but the format in the correction does not match that submitted. Could ATO send back corrections that match the BAS format they were originally submitted.
- Would like to be able to talk to someone about GST rulings. Often they get a phone call to say what is happening but the person is not able to be contacted to explain issues further.

They have made a decision and cannot be contacted further. Would like a contact person at the ATO early on in the process.

- Would like to have direct numbers to the same person in the GST tax agents call centres in order to deal with the same issues.