Division/Agency: Tax Analysis Division
Topic: Senate, Economics Legislation Committee (Treasury Laws Amendment (Making Sure Multinationals Pay Their Fair Share of Tax in Australia and Other Measures) Bill 2018
Reference: Hansard
Senator: Ketter, Chris

Question:
Senator KETTER: Okay. Have you factored in that, as a result of this, there might be lower company tax receipts if what the accommodation providers are concerned about transpires?

Mr Ramkumar: During consultation this particular issue didn't come up; however, in costing the revenue outcomes, all factors are to be considered, so we can take that on notice to provide you further detail on how that's been taken into account.

Senator KETTER: I was hoping you might give me a bit more detail about how those revenue figures have been constructed.

Mr Fraser: We'll have to take that on notice. All the costings are handled in a different part of the department, and that area works very closely with the ATO. So we'll have to take it on notice to get further information on the assumptions that underpin the costings. As you would be aware, the revenue gain was reported in the 2018-19 budget. It was $5 million per annum, with $15 million revenue gains for the states and territories over the forward estimates. As I said, I am happy to take that on notice to get any further information around those assumptions.

Answer:

The estimated $15 million increase to revenue over the forward estimates reflects the additional GST associated with foreign-based companies being required to charge GST on the full value of sales of Australian hotel accommodation. Consistent with the Charter of Budget Honesty Policy Costing Guidelines, the policy costing does not include broader economic or ‘second-round’ effects.