

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Individuals and Indirect Tax Division

Question No: 294

Topic: Low Value GST Imports

Reference: Written

Senator: Ketter, Chris

Question:

1. Does Treasury have estimates of the costs passed onto consumers? If so, can it provide those cost estimates broken down into their GST and compliance-cost components?
2. Does Treasury have guidance on how redeliverers will pass the GST onto suppliers and/or consumers?
3. Does Treasury have and can they provide, estimates of the number of non-residents making supplies who are likely to choose to become limited registration entities?
4. Does Treasury have, and can they provide, estimates of the breakdown in revenues by firms?
5. Can Treasury also provide data on the number of firms consulted, and compliant, with the recent application of GST to overseas digital service providers?

Answer:

1. Treasury does not have specific estimates. However it is anticipated that GST will be included in the price just like it is for domestic low value goods.
2. Redeliverers will be required to collect GST on the sum of the value of deliveries of low value goods delivered to consumers in Australia and collect GST on the value of its services. Redeliverers will need to register for GST, charge the GST at point-of-sale to the consumer, and report and remit the GST collected to the ATO.
3. The ATO expects around 5,000 businesses may be required to register as a result of the Bill. This number takes into account the effect of including electronic distribution platforms as liable entities. Businesses will have the option of registering as full registrants under existing processes or, as limited registration entities under a simplified process to be introduced.
4. Treasury does not have this information.
5. Treasury received 16 formal submissions and engaged in targeted consultation. Stakeholders consulted included advisory bodies, telecommunication and software companies. The law to apply the GST to digital products and services imported by consumers comes into force on 1 July 2017.