

# Senate Standing Committee on Economics

## ANSWERS TO QUESTIONS ON NOTICE

### Treasury Portfolio

#### Additional Estimates

23 – 24 February 2011

**Question No:** AET 36

**Topic:** DEFINITIONS OF SMALL BUSINESS

**Hansard Page:** Written

**Senator Ryan asked:**

How many different definitions of ‘small business’ does the ATO have? What are they?

**Answer:**

There are currently two general definitions of ‘small business’ used within the Australian Taxation Office (ATO):

1. The ATO website, under the definition of small business entity refers to an entity that carries on a business with an aggregated turnover of less than \$2 million. This is based on the definition of a ‘small business entity’ in the Tax Laws Amendment (Small Business) Act 2007.
2. In the ATO Compliance program, those with an annual turnover under \$2 million are referred to as a ‘Micro enterprise’. This term is used internally to define entities that fit this market segment. Small to Medium enterprises are those with an annual turnover of \$2 million to \$250 million with the ‘small’ enterprises turning over between \$2 million and \$10 million. This definition is also used in the ATO’s annual Taxation Statistics publication.