

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Budget Estimates 29 May 2007)

Question **BET 103**
Topic: **Entrepreneurs Tax Offset (ETO) and use of the Simplified Tax System (STS)**
Hansard Page: **E77**

Senator Sherry asked:

Of those who were receiving the full ETO, up to \$50,000 turnover, how many of those businesses are using the STS?

Mr D'Ascenzo—We certainly do not have that break-up here. I am not sure that we have it at all. We can check and, if we do have the break-up, we can provide it; if not, we can advise that we do not have that breakup.

Senator SHERRY—As to the phase-out of the ETO between \$50,000 and \$75,000, how many businesses are using the STS? Could you provide us with a raw and a percentage figure there? Could you take that on notice.

Mr D'Ascenzo—If we have that break-up we will certainly provide it; if not, we will advise that we do not have that information.

Senator SHERRY—Could you take on notice the percentage take-up for those STS eligible businesses that do not receive any ETO, that is, those with over \$75,000 in turnover?

Mr D'Ascenzo—If we can do that.

Senator SHERRY—Do you have any figures on the take-up figures of the STS of those with between \$75,000 and \$250,000 in turnover? Your nod is not recorded on the Hansard.

Mr D'Ascenzo—No, we do not have it here. Again, if we find that information, if we do have those breakups, we will provide them in the answer to you.

Ms Granger—The figures we have given are all we have with us.

Senator SHERRY—I will put this on notice now; that is easier. Can I have the annual growth rate in the take-up of the STS by these businesses in those income categories I have given you.

Answer:

1. Of those who were receiving the full Entrepreneurs Tax Offset, up to \$50,000 turnover, how many of those businesses are using the Simplified Tax System?

A requirement for receiving the Entrepreneurs Tax Offset (ETO) is that the recipient is either in the STS themselves or received a distribution from an entity that is in the STS.

154,205 entities generated claims for the ETO and had total business income of \$50,000 or less. Of these 144,506 are companies and individuals that claim the Entrepreneurs Tax Offset in their own right as opposed to those who received a distribution.

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2. To the phase-out of the Entrepreneurs Tax Offset between \$50,000 and \$75,000, how many businesses are using the Simplified Tax System? (both raw and percentage figures), *see table below*

35,494 entities generated claims and had total business income of between \$50,000 and \$75,000. Of these, 30,173 are companies and individuals which claim the Entrepreneurs Tax Offset in their own right.

3. What is the percentage take-up for those Simplified Tax System eligible businesses that do not receive any Entrepreneurs Tax Offset, that is, those with over \$75,000 in turnover?
See table below

4. Do you have any figures on the take-up figures of the Simplified Tax System of those with between \$75,000 and \$250,000 in turnover?
See table below

5. Can I have the annual growth rate in the take-up of the Simplified Tax System by these businesses in those income categories I have given you?

Turnover range	Number in simplified tax system	Eligible in 2006	Annual Growth Rate in take up (expressed as a percentage of total eligible)			
			2003	2004	2005	2006#
Less than \$50,000	416,506	1,092,700	5%	5%	5%	16%
\$50,000 to \$75,000	70,491	150,599	7%	6%	6%	20%
\$75001 to \$250,000	142,768	373,644	7%	6%	6%	8%
Over \$250,000	90,033	252,695	6%	4%	4%	6%
Total	719798*	1869638				

* This figure does not include the 208,080 in Simplified Tax System for whom the Tax Office does not have current 2006 turnover figures.

The 2006 figures are incomplete.

Figures as at 29 May 2007