

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates, 2 June – 4 June 2009

Question: bet 138

Topic: Taxation of 'High Status' Persons

Hansard Page: Written

Senator Bushby asked:

1. How did the targeting of people of high status, such as sports stars go?
2. Has it achieved its aims?
3. How much extra revenue was raised?

Answer:

1. The Tax Office has been successful in identifying and addressing compliance issues relating to high risk, high status sports people. This process has included working with individual sports people, teams and organisations, within the sporting industry, to provide them with assistance in understanding and meeting their tax obligations.

Examples of targeted compliance activities include reviewing:

- a sample of high profile players from the football codes to ensure their compliance with income tax laws
 - the outstanding lodgment of income tax returns and business activity statements by high profile sports persons, officials and player managers
 - players and officials under contract with various peak sporting bodies to ensure income has been declared correctly, and
 - sports persons with overseas income as part of Project Wickenby.
2. The Tax Office has achieved its aims through a mixture of compliance, assistance and education activities. Positive relationships have been developed with key industry stakeholders to promote voluntary compliance.
 3. The Tax Office has provided assistance to major sporting event organisers, non resident sports people and their agents. In 2008-09, the revenue associated with this assistance was approximately \$3.2 million. Additional compliance activities in 2008-09 included 20 cases with revenue outcomes of around \$310,000.

Action was also taken to follow up on outstanding income tax returns and business activity statements and this resulted in sports people lodging 192 returns and statements generating net refunds of approximately \$193,000.