

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

TREASURY

Australian Taxation Office

(Supplementary Budget Estimates 1-2 November 2006)

Question **SBT 101**

Topic: **GST DEBT (SMALL TO MEDIUM AND MICRO)**

Hansard Page: **E84**

Senator Sherry asked:

Ms Crawford—Yes, so micro was \$6.836 billion and small to medium was \$1.269 billion.

Senator SHERRY—Do you know the approximate proportion of that debt that relates to GST debt in those categories.

Mr Farr—It is very difficult to get a GST figure because it is actually what we call a running balance account which combines a whole range of things, so to get a specific GST debt figure is actually quite difficult.

Mr D'Ascenzo—But we have made some assumptions and we can provide you with our estimate.

Senator SHERRY—On the basis of your assumptions

Answer:

Current ATO systems do not allow component debts to be distinguished on accounts as payments cannot be matched to specific liabilities. This functionality should be available following full implementation of the ATO Change Program.

Notwithstanding this constraint, an attribution methodology for estimating the GST component of activity statement debt was developed for the purpose of reporting GST to states and territories.

At 30 June 2006 it was estimated that GST accounted for some \$2.32 billion, or 39 per cent, of the \$5.94 billion in total collectable activity statement debt across all market segments.

Breakdown of total collectable debt for micro-businesses and small to medium enterprises by revenue type at 30 June 2006

Revenue Type	\$B			% of Micro/SME Collectable Debt
	Micro ¹	SME ²	Total	
Income Tax	2.004	0.262	2.266	27.96
Activity Statement	4.471	0.872	5.343	65.92
Superannuation Guarantee	0.202	0.033	0.235	2.90
Superannuation Surcharge	0.046	0.031	0.077	0.95
FBT	0.054	0.068	0.122	1.51
PAYE/PPS/Sales Tax (debt prior to the new tax system)	0.059	0.003	0.062	0.76
Total	6.836	1.269	8.105	100

Notes: ¹ Micro: micro-businesses (annual turnover < \$2m)

² SME: small to medium enterprises (annual turnover between \$2m and \$100m)