

Senate Economics Legislation Committee

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates

2016 - 2017

Division/Agency: Australian Taxation Office
Question No: 190
Topic: GST – Non-payment of GST to the ATO
Reference: Hansard – Page 54
Senator: Gallagher

Question:

Senator GALLAGHER: [...] Can you just confirm for the committee that it is an offence for a business or for another organisation to charge GST but not pass it on to the ATO?

[...]

Mr Olesen: I think we might have to take that on notice [...]

Answer:

If a person/entity is registered or required to be registered and they are charging GST and not passing it on to the ATO, then there will be a GST liability to the Commissioner in relation to the supplies made by the person/entity.

If the person/entity is already registered they may incur late payment interest and may also be liable to failure to lodge penalties.

Alternatively, if the person/entity is not registered they would be required to register from the date the entity's turnover first meets the registration turnover threshold and lodge business activity statements from this date. Again, late payment interest may apply and the person/entity may also be liable to failure to lodge penalties.

Where a person/entity does not lodge business activity statements as required, the Commissioner may raise default assessments to reflect the GST that should have been reported and paid and in this situation administrative penalties and late payment interest may apply. The person/entity may also be liable to failure to lodge penalties.