

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates 2012

30 May 2012

QUESTION: BET 380

Topic: Activity statement update – carbon tax (ATO)

Hansard Page: Written

Senator McKENZIE asked:

380. The ATO's third quarter newsletter for activity statement preparers was recently distributed. It did not make one reference to the carbon tax. Given the importance of this issue to small business, why not?

Answer:

380. The ATO balances providing information about upcoming changes with ensuring that entities complete their current activity statements correctly. Reference to the fuel tax credit rates changing from 1 July 2012 was included in the ATO's fourth quarter newsletter for activity statement preparers. Entities were referred to the ATO's fact sheet *Fuel tax credits – changes from 1 July 2012*, available from the ATO website (ato.gov.au), for further information.

Under the Clean Energy Plan, the *Fuel Tax Act 2006* has been amended so that business users of liquefied and gaseous fuels (excluding for road transport) will have their fuel tax credit entitlements reduced by the equivalent of the carbon charge on the fuel had these fuels been subject to the carbon charge. The carbon charge reduction is just one of several changes to fuel tax credit rates that commenced on 1 July 2012.

Information was not included on the goods and services tax (GST) implications of the clean energy measures as only liable entities are directly impacted from 1 July 2012, and supplies of eligible emissions units are GST-free. The Clean Energy Regulator publishes a list of entities liable under the mechanism, called the Liable Entities Public Information Database (LEPID). This list is being regularly updated but, at present, there are 315 entities listed on the LEPID. The ATO uses targeted communication strategies where the number of impacted entities is limited.